

**From:** Scherini, Alex [<mailto:Alex.Scherini@treasury.wa.gov.au>]  
**Sent:** Tuesday, 4 February 2014 7:14 PM  
**To:** Alison Harper  
**Cc:** Laurie, Kirsty; Court, Michael; Schipp, Michael; Burke, Elspeth; Rebeiro, Simon; Horwood, Bruce  
**Subject:** RE: 2014 Update - Backcasting national education funding [SEC=UNCLASSIFIED]

Hi Alison

Thank you for the opportunity to provide views on this matter, and apologies for our late response.

Our understanding is that it is the Commonwealth's intention that all States and Territories will receive National Education Reform Agreement (NERA) consistent levels of funding. We are not aware of States having signed up to a 'Students First' agreement. The conditions of funding to Western Australia are still to be formalised.

As a general rule, Western Australia opposes backcasting, as it distorts the long run achievement of fiscal equalisation, and there can be uncertainty about the grant year data that is required to implement backcasting.

However, to the extent that the Grants Commission uses backcasting in other areas (e.g. National Health Reform funding), then it may also be appropriate to do so in the case of the education funding reforms, using the best available estimates on Commonwealth grants and student numbers.

The Grants Commission's assessments of expenditure disabilities should be unaffected by backcasting, as there is no data to review these disabilities.

Regards

Alex