

Errata

A number of minor errors have been detected in the report since it was printed. These principally relate to the treatment of future education costs. The errors have been corrected in the PDF and RTF files on this website, but remain in the printed copies. They make no qualitative difference to the conclusions reached.

Overview

- On page xxxvii, in the first paragraph, the figure \$4150 billion should be \$4200 billion.
- Also on page xxxvii, in the first dot point, spending pressure on the States should 'treble' not 'quadruple'.

Chapter 3

- Figure 3.16 p. 78, males are the bold lines, females the thinner lines.

Chapter 9

- Table 9.2 on page 211: for 2044-45, the TAS figure should be 71.4 not 61.6, the Northern Territory figure should be 72.6 not 69.0 and the Australia figure should be 63.3 not 63.2. In the first paragraph, 69 per cent should be 73 per cent.

- Table 9.5 Changes as marked

Table 9.5 **Projected government education funding as a share of GDP**

By level of government and education sector

	2002-03			2044-45		
	<i>States and Territories</i>	<i>Aust. Govt.</i>	<i>Total</i>	<i>States and Territories.</i>	<i>Aust. Govt.</i>	<i>Total</i>
	%	%	%	%	%	%
Schools	2.60	0.78	3.38	2.24	0.76	2.99
<i>Government</i>	2.41	0.28	2.69	2.03	0.24	2.27
<i>Non-government</i>	0.20	0.50	0.69	0.21	0.52	0.73
VET	0.35	0.16	0.52	0.36 0.37	0.16 0.17	0.52 0.54
University	0.03	0.74	0.77	0.03	0.87	0.90
HECS repayments	-	-0.11	-0.11	-	-0.17	-0.17
Income assistance	-	0.26	0.26	-	0.12	0.12
Other education	0.30	0.09	0.38	0.27 0.26	0.08	0.34
Total	3.28	1.92	5.20	2.89 2.90	1.81 1.83	4.69 4.73

- On page 220, first paragraph, 0.39 percentage points should be 0.38 percentage points and 0.01 percentage points should be 0.02 percentage points.
- On page 220, last paragraph the figure \$24 billion should be \$23 billion and 20 per cent should be 19 per cent.
- Figure 9.7 (on page 221) the base year in the legend should read 2002-03. The figures are slightly amended but this cannot be detected in the appearance of the chart.

The corrected Table 9.6 on page 221 is as follows:

Table 9.6 Impact of population ageing on government education expenditures in 2044-45

<i>Sector</i>	<i>Expenditure with projected ageing</i>		<i>Expenditure if there were no ageing</i>		<i>Reduction due to ageing</i>	
	\$ billion		\$ billion		%	
Schools	61 475		77 762 77 000		20.9 20.2	
<i>Government</i>	46 540		58 886 58 294		21.0 20.2	
<i>Non-government</i>	14 935		18 876 17 706		20.9 20.2	
VET	40 624 11 069		43 380 13 211		20.6 16.2	
University	48 344 18 394		22 113 22 272		47.0 17.4	
HECS repayments	-3553 -3404		-4 237 -4078		16.1 16.5	
Student assistance	2480 2515		3065 3062		19.1 17.9	
Other	7025	6975	8525	8525	17.6	18.2
Total	96 394	97 024	120 608 119 991		20.1 19.1	

Chapter 13

- On page 308, In Table 13.2 the total figure for 2044-45 has been changed from 5.9 to 6.0 per cent.
- On page 309, first dot point, spending pressure on the States should ‘treble’ not ‘quadruple’.

- Table 13.3 was changed as shown:

Table 13.3 The distribution of spending pressure under different SPP assumptions

Age-related government spending to GDP ratios by level of Government

<i>Alternative scenarios for Intergovernmental relations</i>	<i>Australian Government</i>	<i>Combined States</i>
SPPs grow with inflation and population (Case A)		
2003-04 (%)	13.5	5.2
2044-45 (%)	17.7	7.5
Difference (fiscal pressure) (percentage points) ^a	4.1	2.3
Net debt-to-GDP ratio of cumulative gaps, 2044-45	1.36	0.67 0.68
SPPs grow with GDP (Case B)		
2003-04 (%)	13.5	5.2
2044-45 (%)	18.6	6.6
Difference (fiscal pressure) (percentage points)	5.1	1.4
Net debt-to-GDP ratio of cumulative gaps 2044-45,	1.73	0.30 0.31
SPPs grow with service needs (Case C - the base case)		
2003-04 (%)	13.5	5.2
2044-45 (%)	19.2	5.9 6.0
Difference (fiscal pressure) (percentage points)	5.7	0.6 0.7
Net debt-to-GDP ratio of cumulative gaps, 2044-45	1.94 1.92	0.12

- Table 13.4 has been changed as shown:

Table 13.4 Notional spending pressures at the State and Territory level

Age-related government spending to GDP ratios^a

<i>Individual States (spending)</i>	<i>2003-04</i>	<i>2044-45</i>	<i>Difference</i>
	%	%	Percentage points
NSW	5.0	5.5 5.6	0.5
VIC	4.4	5.2	0.8
QLD	5.5	6.3	0.8
WA	5.4	6.8	1.4
SA	6.0	7.3	1.2
TAS	8.6	11.3	2.7
NT	9.1	10.9 11.0	1.8 2.0
ACT	5.3	5.7	0.4
Total combined States	5.2	5.9 6.0	0.8

Table 13.5, changes are as shown:

Table 13.5 Impact of fully indexing Australian Government allowances to Average Weekly Earnings compared with the CPI

Aggregate spending pressure as a share of GDP in 2044-45

<i>Spending area</i>	<i>Spending pressure (AWE indexation)</i>		<i>Spending pressure (base case)</i>	
	Percentage points		Percentage points	
Health care		4.54		4.54
Aged care & carers		1.42		1.37
Age pensions		1.72		1.72
Other social safety net		-0.19		-0.63
Education	-0.40	-0.36	-0.52	-0.49
Total	7.09	7.12	6.46	6.49

- Changes were made to Table 13.6 The old and new versions of the table are shown below:

Old Version

Table 13.6 Impacts on spending pressures of alternative scenarios

Difference to base case in 2044-45^a

	<i>More ageing</i>	<i>High fertility</i>	<i>High migration</i>	<i>Less ageing</i>	<i>Higher across-the-board labour participation</i>	<i>Older male participation</i>	<i>Higher productivity</i>
Change in Fiscal pressures (percentage points)							
Health care	0.54	-0.24	-0.13	-0.53	0.00	0.00	0.00
Aged care & carers	0.98	-0.10	-0.09	-0.40	-0.10	-0.03	-0.01
Age pensions	1.13	-0.19	-0.15	-0.66	-0.19	-0.06	-0.04
Other social safety net	-0.15	0.13	0.01	0.14	-0.23	-0.19	-0.07
Education	-0.58	0.46	-0.24	0.38	-0.20	-0.07	-0.12
Total	1.92	0.06	-0.57	-1.06	-0.72	-0.35	-0.24
Change in debt-to-GDP ratio in 2044-45 (proportion)							
	0.16	0.13	-0.24	-0.26	-0.25	-0.11	-0.27

Table 13.6 **Impacts on spending pressures of alternative scenarios**

Difference to base case in 2044-45^a

	<i>More ageing</i>	<i>High fertility</i>	<i>High migration</i>	<i>Less ageing</i>	<i>Higher across-the- board labour participation</i>	<i>Older male participation</i>	<i>Higher productivity</i>
Change in Fiscal pressures (percentage points)							
Health care	0.54	-0.24	-0.13	-0.53	0.00	0.00	0.00
Aged care & carers	0.98	-0.10	-0.09	-0.40	-0.10	-0.03	-0.01
Age pensions	1.13	-0.19	-0.15	-0.66	-0.19	-0.06	-0.04
Other social safety net	-0.15	0.13	0.01	0.14	-0.23	-0.19	-0.07
Education	-0.51	0.49	-0.02	0.46	-0.20	-0.07	-0.02
Total	2.00	0.03	-0.35	-0.98	-0.72	-0.35	-0.13
Change in debt-to-GDP ratio in 2044-45 (proportion)							
	0.21	0.11	-0.12	-0.21	-0.25	-0.11	-0.21

- In Box 13.1, page 319, first paragraph — the figure 0.13 has been changed to 0.11 (“However, its effect on the debt to GDP ratio in 2044-45 is larger, increasing the ratio by 0.11.”).
- In Box 13.1, Second paragraph: The figure 0.6 was changed 0.35, the figure 0.21 was changed to 0.12 and the figure 1.8 was changed to 1.9.
- In Box 13.1, page 320, top paragraph, the sentence: “Indeed, it provides almost as much relief as a low ageing scenario in terms of its accumulated liabilities...” was changed to “Indeed, it provides about the same relief as the low ageing scenario in terms of its accumulated liabilities...”
- On page 321, in the first paragraph of Section 13.4 at the bottom of the page, the figure \$4150 was changed to \$4200.
- On page 324, in the first dot point at the bottom of the page, the figure \$4500 was changed to \$4700. In the second dot point, the figure \$81 000 was changed to \$82 000.