

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2014-2015**

Outcome 3 - Higher Education, Reform & Support

Department of Education Question No. ED0668_15

Senator Carr asked on 22 October 2014 , Hansard page 130

Question

Structural changes in the education budget

Senator KIM CARR: I have this table in front of me, and as I read it, across the 10-year period, according to the PBO, the effect of the structural changes in the education budget would see a cut of \$18 billion. Would you agree? Ms Paul: Well, you have given us one page, which is marked '30', out of a document that is not even identifiable as being from the PBO. So, I am quite uncertain about whether we can make too many observations. Mr Griew, being the highly numerate individual that he is, might have something to comment on. But really, truly, we would want to at least see pages one to whatever and not just 30. Senator KIM CARR: This goes to the full budget array. This is a specific one on higher education. You are not familiar with this report? Ms Paul: No. Senator KIM CARR: You do not agree that the structural adjustment effect is an \$18 billion reduction? CHAIR: Who is the author? Senator KIM CARR: The Parliamentary Budget Office. Mr Griew: We would have to understand how they have constructed that. I am not actually finding that figure on the page. Ms Paul: No, I do not see an 18; I do not see that anywhere. Senator KIM CARR: Would you like to take that on notice? Ms Paul: We will have to.

Answer

In early 2014, the Parliamentary Budget Office (PBO) published *Projections of Government spending over the medium term*. This estimates that spending on higher education will continue to grow to 2024-25 (page 30).

The PBO report estimates the impact of 2014-15 Budget measures yet to be legislated for higher education (page 38, Table B.2). The PBO estimates the cumulative total impact over eleven financial years as \$18.2 billion, not allowing for inflation. The PBO report has not explicitly stated which programmes are included in these estimates. However, the estimates in this table appear to relate to higher education teaching and learning expenses, excluding research measures, such as the extension of the National Collaborative Research Infrastructure Strategy and revenue to the Government from the Higher Education Loan Programme. After allowing for these differences, the PBO and Departmental estimates agree over the forward estimates period (2014-15 to 2017-18), but given the difficulties associated with medium-term forecasting, the PBO and Departmental estimates diverge beyond this period.