



Acting Deputy Secretary
Jessie Borthwick



Reconciliation of CGS and HELP payments, reimbursement of Efficiency Dividend for 2014 and 2016 advance payments

Final student load numbers for 2014

Further to Robert Griew's letter of 12 May 2015, I am writing to advise you that the department has undertaken a reconciliation of 2014 payments for the Commonwealth Grant Scheme (CGS) and the Higher Education Loan Program (HELP), which includes HECS-HELP, FEE-HELP, OS-HELP and SA-HELP.

As current practice allows, we have also taken this opportunity to review the 2005 to 2013 HECS-HELP, FEE-HELP, OS-HELP and SA-HELP funding against current HEIMS student load data.

The reconciliation of student data against payments will result in adjustments to [redacted] [redacted] 9 July 2015 payments as set out below. SA-HELP adjustments will not occur until 23 July 2015.

Efficiency dividend

The advance payments that were made to your institution in 2014 for designated courses of study and non-designated courses of study were based on amounts expected to become payable under the *Higher Education Support Act 2003* after the application of the efficiency dividend.

As foreshadowed in Mr Griew's 12 May 2015 letter, the legislation to implement the 2014 efficiency dividend did not pass the Parliament before the end of 2014 and amounts withheld for contributions under the Commonwealth Grant Scheme (CGS) for 2014 will be repaid.

While the Parliament has not yet passed legislation to implement the efficiency dividend for 2015 as announced by the previous government, this remains the policy of the Government. Consequently, advance payments for designated and non-designated courses of study for

2015 will continue to reflect the amount expected to be payable subject to passage of legislation. This will ensure that the department is not required to recover a significant overpayment when the amount payable for 2015 is finally determined in the first half of 2016.

The 2014 advance payments for enabling loading and regional loading were also paid in accordance with the Government's intention that revisions to the CGS guidelines in relation to the efficiency dividend would be agreed by the Parliament. As the legislative instruments to implement the efficiency dividend were disallowed in the Parliament, amounts for these loadings for 2014 are being repaid.

The Government still intends to amend the CGS guidelines to implement the efficiency dividend in respect of the loadings for 2015 advance payments, and, as such, the 2015 advance payments for the CGS loadings continue to include the application of the efficiency dividend.

The revised reconciliation amounts for 2005 to 2014 are set out at Attachment A.

2016 Advance payments to universities.

As you are aware, the Minister for Education and Training, the Hon Christopher Pyne MP, has indicated that he remains committed to the higher education reforms. The information published on resourcing for a Commonwealth supported place by discipline for 2016 reflects this commitment. The published documents note that the funding rates provided are subject to the passage of legislation to implement the Government's proposed higher education reforms.

We would like to assure you that, as the Minister has said, the department has no intention of providing advance payments to universities on the basis of the published 2016 cluster rates if the relevant legislation has not passed through the Parliament.

If your staff have any questions concerning these adjustments, they should not hesitate to contact the department via the FEP@education.gov.au mailbox.

Yours sincerely



Jessie Borthwick

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