

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 ADDITIONAL ESTIMATES HEARING

Outcome: 2

Output Group: 2.4 – Funding for Higher Education

DEST Question No. E1022_06

Senator Wong provided in writing.

Question:

Agency Additional Estimates Statements (p.11)

'Reduction in the provision of doubtful debts relating to HELP' variation by way of reduction of \$116,270,000 in 2005-06

Why has the provision of doubtful debt been reduced? Was this a result of a change in internal policies or assumptions underpinning the provision? Is so, what were these changes?

Answer:

Reduction in doubtful debt provision

The reduction was a result of the Australian Government Actuary (AGA) review of the Higher Education Loan Programme (HELP) doubtful debt model in 2004-05. This resulted in income volatility in the model being reduced to more closely reflect experience.