

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. E1023_06

Senator Wong provided in writing.

Question:

DEST's Additional Estimates Statements (p.16) show a revision of expenses from appropriations under the Higher Education Funding Act 1988 and the Higher Education Support Act 2003 from \$5.871 billion to \$5.738 billion.

This is a revision of \$133 million.

What is the reason for this significant revision downwards in estimated expenses?

Answer:

Revision of Expenses from Appropriations

The revision is mainly due to a revision of expenses for the HELP programme, which was \$619.8 million, revised down by \$106 million to \$513.9 million. The decrease in HELP expenses was mainly due to a reduction in the provision for doubtful debt as a result of the Australian Government Actuary (AGA) review of the HELP doubtful debt model in 2004-05. This resulted in income volatility in the model being reduced to more closely reflect experience.

The remaining \$26 million of the reduction was a result of applying the actual higher education indexation factor instead of the estimated higher education indexation factor applied in the original estimates.