

EDUCATION, SCIENCE AND TRAINING

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

Outcome: 2
Output Group: Various

DEST Question No. E1024_06

Senator Wong asked provided in writing.

Question:

DEST Additional Estimates Statements.

In relation to the drop in revenue from activities administered on behalf of the Government of approximately \$650 million from 04-05 to 05-06;

- What was the reason for the revision of the inflation factor?
- To which Commonwealth loans programs does this inflation factor apply?
- What was the previous inflation factor and what is the new inflation factor?
- How are these inflation factors calculated?

(Refers to page 21 of the 2005-06 Portfolio Additional Estimates Statements)

Answer:

Additional Estimates Statements

The estimated drop in revenue between 2004-05 and 2005-06 is \$471 million. The main reason for the drop is that in 2004-05 DEST recognised \$650 million in revenue for the reversal of previous asset write – downs, see Question on Notice on Write down of Assets (E1025_06).

The Commonwealth loan programmes affected are the Higher Education Loan Programme (HELP) and the Student Financial Supplement Scheme (SFSS).

All loans provided under these schemes that are older than 12 months are indexed on 1 June each year. The indexation rate used to index the debt is calculated each year after that year's March Consumer Price Index is released.