

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 ADDITIONAL ESTIMATES HEARING

Outcome: All
Output Group: All

DEST Question No. E815_07

Senator Carr provided in writing.

Question:

Schedule of budgeted revenue and expenses

Can you explain the huge difference between actual non-taxation administered revenue, and revised 2006-07 and forward estimates, as shown in Table 3.7 of the Additional Estimates Statements?

Answer:

Schedule of budgeted revenue and expenses

The difference between actual non-taxation revenue and the forward estimates is a consequence of the change in the valuation of loans from nominal value to fair value.

The 2005-06 Actual for Administered non-taxation revenue largely reflects the gain in the fair value of financial instruments (concessional loans such as the Higher Education Loan Programme). This is consistent with the application of AASB139 and the Australian Equivalent International Financial Reporting Standards (AEIFRS).

The 2006-07 Budget and forward estimates reflects the expected annual indexation of the concessional loans programmes consistent with the previous accounting treatment for these arrangements.

The 2005-06 was a transitional year for the fair value treatment of concessional loans and once a final accounting approach is determined the estimates and actuals will be presented on a consistent basis.