

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 BUDGET ESTIMATES HEARING

Outcome: 2

Output Group: 2.5 Assistance for post school students including those with special needs

DEST Question No. E012_04

Senator Crossin tabled on 4 June 2003.

Question:

- a) What is the estimate actual amount for the Abstudy Loans Scheme for 2001-02, 2002-03 and 2003-04?
- b) How many students availed themselves of the Abstudy loans scheme in 1999, 2000, 2001 and 2002?
- c) What is the total amount owed to the Commonwealth by students under this scheme?
- d) How many students who have completed study continue to owe money from Abstudy loans?
- e) What is the relative percentage of the Indigenous cohort who receive Abstudy, versus those with Abstudy loans for the years 1999, 2000, 2001 and 2002?

Answer:

Student Financial Supplement Scheme and ABSTUDY

- a) The estimated actual amounts for the ABSTUDY component of the Student Financial Supplement Scheme (SFSS) are:

2000-2001	\$22,758,000
2001-2002	\$23,449,000
2002-2003	\$47,695,000.

An estimated actual for SFSS for 2003-2004 is not yet available. The budget estimate, as provided in the Portfolio Budget Statements, is \$28,580,000.

- b) The table below provides the number of loan acceptances between 1999 and 2002 for ABSTUDY customers:

Calendar year	Number of SFSS loans accepted for ABSTUDY customers
1999	9,529
2000	9,008
2001	6,861
2002	6,398

c) At 31 May 2003, the receivable balances for the Student Financial Supplement Scheme (SFSS) loans are:

- Total SFSS debt for all schemes of \$1,141,984,904 is at the Australian Taxation Office (ATO) awaiting collection through the taxation system of which \$139,644,046 is attributable to ABSTUDY customers; and
- For ABSTUDY customers, SFSS loans totalling \$884,274,424 are with the Commonwealth Bank of Australia, representing loans that have not reached the end of their 5-year contract period.

d) SFSS loans are subject to voluntary repayment until the fifth year after the loan was taken out. The loans are then transferred to the Australian Taxation Office (ATO) for income-contingent collection through the taxation system. The amounts owing are not broken down by student numbers. Some students will have made voluntary repayments before the loan is transferred to the ATO; others may have multiple loans. As stated in part C above, as at 31 May 2003, the receivable balances for ABSTUDY for the Student Financial Supplement Scheme (SFSS) loans are:

- Total ABSTUDY debts of \$139,644,046 are at the Australian Taxation Office (ATO) awaiting collection through the taxation system; and
- Loans for ABSTUDY totalling \$884,274,424 are with the Commonwealth Bank of Australia, representing loans that have not reached the end of their 5-year contract period.

e) The numbers and relative percentages of ABSTUDY recipients who took out loans under the Student Financial Supplement Scheme (SFSS) between 1999 and 2002 are details below.

Calendar year	Total ABSTUDY recipients	Number of SFSS loans approved	Percentage of total ABSTUDY cohort who took out a SFSS loan
1999	52,025	9,529	18.32%
2000	49,420	9,008	18.22%
2001	50,451	6,861	13.59%
2002	51,562	6,398	12.41%