

EDUCATION, SCIENCE AND TRAINING

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

Outcome: 2
Output Group: 2.4 – Funding for Higher Education

DEST Question No. E302_06

Senator Carr asked on 2 June 2005, EWRE Hansard page 72.

Question:

Perhaps you could take that on notice and tell me how you have transferred these funds [advances] across [to the new legislation]?

Answer:

Clarification on advances under the new legislation compared to under the old legislation.

Section 17A of the *Higher Education Support (Transitional and Consequential Amendments) Act 2003* allows advances made under the *Higher Education Funding Act 1988* to be recovered from Commonwealth Grant Scheme funding provided under the *Higher Education Support Act 2003*.

The advances provision under Section 33-40 of the *Higher Education Support Act 2003* is substantially the same as the advances provision under the previous Section 20A of the *Higher Education Funding Act 1988*.

Funding for advances from future years is allocated as a separate funding amount within the total funding available under the Commonwealth Grant Scheme. The funding is a rolling amount and at any time the total amount advanced is not to exceed \$25 million under both the *Higher Education Funding Act 1988* and *Higher Education Support Act 2003* provisions in any one grant year. Institutions apply for an advance from the funding they will receive in future years and the repayments are made on a schedule by reduction in their grants in those years.

Only institutions that receive ongoing funding may be approved for an advance, as the funding is to be recovered by offsetting future payments. The advances are interest free, but the repayments are indexed. Repayment amounts are indexed at the price level for the repayment year. This is to ensure the total amount funded is recovered.