

EDUCATION, SCIENCE AND TRAINING

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

Outcome: 2

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

DEST Question No. E046_07

Senator Wong asked on 1 June 2006, EWRE Hansard page 16

Question:

How much is everything else? That leaves about \$36 million attributable to some other cause. Is that right?

Answer:

Movement in the 2005-06 HELP expense between the 2005-06 and 2006-07 Portfolio Budget Statements

The figure of \$124 million quoted at the 2006-07 Budget Estimates hearing relates to 2006-07 and has been explained in E047_06. In 2005-06, \$114 million is attributable to the revision of the doubtful debt provision, and the amount attributable to other factors is around \$46 million, as detailed below.

The tables below detail the movement in the HELP expense for the 2005-06 financial year between the 2005-06 Portfolio Budget Statements and the 2006-07 Portfolio Budget Statements.

Portfolio Budget Statements (PBS)	2005-06 \$'000
HELP expense 2005-06 PBS	619,774
HELP expense 2006-07 PBS	459,613
Total Movement	-160,161

Explanation of total movement between 2005-06 and 2006-07 PBS

<i>Doubtful debt provision expense</i>	
<i>Revision to doubtful debt provision due to actuarial assessment</i>	-114,319
<i>Revision to student loan estimates</i>	-41,285
<i>Revision to repayment and indexation estimates</i>	8,599
Total doubtful debt provision expense	-147,005
 Changes to personal benefits expense (1)	 -10,464
 Changes to other write-downs (2)	 -2,692
Total Movement	-160,161

(1) Personal benefits expenses include the 10% bonus on voluntary repayments and the 20% discount for up-front payments of student contributions.

(2) Includes write-downs for deceased debtors, remissions, waivers, bankruptcy, debts irrecoverable at law and debts uneconomical to pursue.