

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2010-2011**

Cross Portfolio

DEEWR Question No.EW0319_11

Senator Mason asked on 2/06/2010, Hansard page 53.

Refers to subsequent DEEWR Question No EW0320_11.

Also refers to subsequent DEEWR Question No EW0321_11.

Question

Changes to Education Infrastructure Fund at 2009-10 MYEFO.

EIF

Mr Storen—The subsequent changes, from my memory, were made possibly in MYEFO. There may be a reference I can find for you— Senator MASON—Could you take that on notice? Mr Storen, I might suggest that I could not find anything, or my staff could not find anything. Mr Storen—I can take that on notice. If my memory is correct, there was a subsequent estimates variation and we can see if we can track down a reference to that for you. Senator MASON—All right, because we are talking about proposed expenditure of hundreds of millions of dollars and the fact that it has been mischaracterised in an accounting context has not been explained anywhere. My staff just happened to pick it up. Mr Storen—I am happy to see where we can find that.

Answer

- At the 2007-08 Budget, in the former Department of Education, Science and Training portfolio, there was a Government decision to establish an expense measure¹ of \$304m under the heading '*Realising our Potential – Higher Education Endowment Fund*'.
- The funding was to commence in 2008-09 and end in 2011-12.
- The \$304m reflected the expected maximum annual draw down at the time of the measure and was subject to future variations.
- DEEWR took responsibility for the spending profile as part of the AAO changes of December 2007.
- At the 2008-09 Budget,² there was a Government decision to re-allocate the total amount of funding that had originally been allocated to 2008-09 to 2009-10.
- The Education Investment Fund forms part of the Nation Building Funds. The Appropriation Source to set up the funds was the *Nation Building Funds Act 2008*.
- The Department of Finance and Deregulation (DoFD) controls these funds

¹ 2007-8 DEST Portfolio Budget Statements page 65.

² 2008-09 DEEWR Portfolio Budget Statements page 26.

(including the EIF asset) and these are recorded in DoFD's Portfolio Budget Statements and annual report.

- DEEWR only provides for payments to be made from the EIF Special Account (as outlined in the *Nation-building Funds Act 2008*).
- The 2009-10 DEEWR PBS also included funding under the former Higher Education Endowment Fund (HEEF).
- As identified in the 2009-10 MYEFO³ and DEEWR Portfolio Additional Estimates⁴ documents, the estimated HEEF expense was removed, associated with it being rolled into the EIF.

³ Mid-Year Economic and Fiscal Outlook 2009-10, page 56.

⁴ DEEWR Portfolio Additional Estimates Statements 2009-10, page 26.