

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2014-2015**

Outcome 3 - Higher Education, Reform & Support

Department of Education Question No. ED0669_15

Senator Carr asked on 22 October 2014 , Hansard page 130

Question

Effect of the structural changes to the education budget

Senator KIM CARR: I have asked the question. Is the PBO suggesting that, long term, the effect of the structural changes that the government is seeking to introduce would see a reduction in funding of \$18 billion Ms Paul: Funding continues to increase. We have given that in evidence before. I assume this has not just accounted for one budget's decisions. Senator KIM CARR: I have read the extract directly. You can take that on notice and tell me whether or not that interpretation is correct.

Answer

In early 2014, the Parliamentary Budget Office (PBO) published *Projections of Government spending over the medium term*. This estimates that spending on higher education will continue to grow to 2024-25 (page 30).

The PBO report estimates the impact of 2014-15 Budget measures yet to be legislated for higher education (page 38, Table B.2). The PBO estimates the cumulative total impact over eleven financial years as \$18.2 billion, not allowing for inflation. The PBO report has not explicitly stated which programmes are included in these estimates. However, the estimates in this table appear to relate to higher education teaching and learning expenses, excluding research measures, such as the extension of the National Collaborative Research Infrastructure Strategy, and revenue to the Government from the Higher Education Loan Programme. After allowing for these differences, the PBO and Departmental estimates agree over the forward estimates period (2014-15 to 2017-18), but given the difficulties associated with medium-term forecasting, the PBO and Departmental estimates diverge beyond this period.