

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. ED0709_15

Senator Carr asked on 14 November 2014 , Hansard page 35

Question

Conversations with any university about the return of moneys that have been withheld

Mr Griew: To the extent those conversations have happened, there was a letter we sent out clarifying the situation, which Mr Warburton sent out, and all our answers subsequent to that would be consistent with confirming what I have just said. Senator KIM CARR: Can I have a look at the letter? Mr Griew: I am sorry? Senator KIM CARR: Can we table the letter you have sent to the universities? Mr Griew: Yes, I think we have previously. I can provide that on notice. Senator KIM CARR: If I have got one here, I can ask questions about it. If you are quoting from it—if it is in the committee's papers—

Answer

The department has written to institutions twice in relation to the application of the efficiency dividend to 2014 advance payments under the Commonwealth Grant Scheme.

Copies of the letters are attached.



Australian Government
Department of Education

Dear Professor

**Revised advance payments for Commonwealth Grant Scheme
and Higher Education Loan Program 2014**

I am writing to advise you about adjustments that are being made to the University's advance payments for the Commonwealth Grant Scheme (CGS) and the Higher Education Loan Program (HELP) for 2014.

In April and October of each year, the University is required to submit estimates of student load to the department. These estimates provide the basis for the calculation of CGS and HELP advance payments. The University's estimates for April 2014 have indicated a change in the Commonwealth supported student load that the University is anticipating for 2014, and so the University's CGS and HELP payments are being adjusted accordingly. In addition, changes are being made to account for the efficiency dividend which we anticipate will be implemented later this year.

The advance payments currently being made to your institution for designated and non-designated courses of study in 2014 were based on amounts that would be payable under the *Higher Education Support Act 2003* prior to application of the efficiency dividend. This was done because the *Higher Education Support Amendment (Saving and Other Measures) Bill 2013* (the Bill) was not passed by the Australian Parliament before the end of 2014 when the payment amounts were determined. While the Bill still has not been passed by the Parliament, the Government is very clear that it will implement the efficiency dividend, including in respect of Commonwealth contributions under the CGS for 2014. As a result, we now consider it prudent to adjust advance payments for designated and non-designated courses of study to reflect the amount expected to be payable following passage of the Bill. This will ensure the department is not required to recover a significant overpayment when the amount payable for 2014 is finally determined in the first half of 2015.

The advance payments currently being made for medical student loading, enabling loading and regional loading already take into account the efficiency dividend. While the relevant amendments to the CGS Guidelines made in December 2013 have been disallowed by the Parliament, the Government intends to reintroduce those amendments later in the year. As a result, your advance payments for the CGS loadings have not been adjusted.

The Bill also includes amendments to remove the 10 per cent HECS-HELP up-front discount and the five per cent HELP voluntary repayments bonus. The Government is intending that these measures commence on 1 January 2015, rather than on 1 January 2014 as was originally announced.

Commonwealth Grant Scheme

The following table shows current and revised 2014 CGS payments to the University for non-designated and designated courses of study, and the difference between these amounts.

Payment	Current Advance Payment ¹	Revised Advance Payment ²	Required Adjustment
2014 Non-Designated Course of Study	\$ [REDACTED]	\$ [REDACTED]	-\$ [REDACTED]
2014 Designated Course of Study	\$ [REDACTED]	\$ [REDACTED]	-\$ [REDACTED]

1. Excluding efficiency dividend.

2. Based on revised estimates and with efficiency dividend applied.

HECS-HELP

The following table shows the adjustments that will be made to the University's 2014 HECS-HELP advance payments. The revised payments are based on an estimated 20,808 Commonwealth supported places.

	HECS-HELP loans (A)	Upfront payments by students (B)	HECS-HELP discount (C)	HECS-HELP advance payment (A + C)	HECS-HELP total-liabilities (A + B + C)
Original Advance	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Variation	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Adjusted 2014 Advance	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

FEE-HELP

The department will adjust the 2014 FEE-HELP advance payment to the University from \$ [REDACTED] to \$ [REDACTED].

OS-HELP

The department will adjust the 2014 OS-HELP loan allocation to the University from \$ [REDACTED] to \$ [REDACTED].

SA-HELP

The University will be advised separately of any adjustments relating to SA-HELP for 2014.

The adjustments will be distributed across payments for the remainder of the year. Payments will commence from the 8 May 2014 pay date.

If your staff have any questions concerning these adjustments, they should not hesitate to contact the department via the FEP@education.gov.au mailbox.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Warburton', written in a cursive style.

Mark Warburton
A/g Group Manager
Higher Education Support Group

7 May 2014



Australian Government
Department of Education

Dear Professor

**Revised advance payments for Commonwealth Grant Scheme
and Higher Education Loan Programme 2014**

I am writing to advise you about adjustments that have been made to the University's advance payments for the Commonwealth Grant Scheme (CGS) and the Higher Education Loan Programme (HELP) for 2014.

In April and October of each year, the University is required to submit estimates of student load to the department. These estimates provide the basis for the calculation of CGS and HELP advance payments. The University's estimates for October 2014 have indicated a change in the Commonwealth supported student load that the University is anticipating for 2014, and so the University's CGS and HELP payments have been adjusted accordingly.

The advance payments that have been made to your institution for designated and non-designated courses of study in 2014 have been based on amounts expected to become payable under the *Higher Education Support Act 2003* after the application of the efficiency dividend. While the Australian Parliament has not yet passed legislation to implement the efficiency dividend, the Government is very clear that it will implement it, including in respect of Commonwealth contributions under the CGS for 2014. As a result, advance payments for designated and non-designated courses of study will continue to reflect the amount expected to be payable following passage of the legislation. This will ensure that the department is not required to recover a significant overpayment when the amount payable for 2014 is finally determined in the first half of 2015.

As advised in May, the advance payments being made for medical student loading, enabling loading and regional loading already take into account the efficiency dividend. As the Government still intends to amend the relevant guidelines to implement the efficiency dividend in respect of the loadings, your advance payments for the loadings have not been adjusted.

Commonwealth Grant Scheme

The following table shows current and revised 2014 CGS payments to the University for non-designated and designated courses of study, and the difference between these amounts.

Payment	Current Advance Payment ¹	Revised Advance Payment ¹	Adjustment
2014 Non-Designated Course of Study	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
2014 Designated Course of Study	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

1. Efficiency dividend applied.

Higher Education Loan Programme

The following tables show current and revised 2014 advance payments to the University for HECS-HELP, FEE-HELP and OS-HELP and the difference between these amounts.

HECS-HELP Payment	HECS-HELP loans (A)	Upfront payments by students (B)	HECS-HELP discount (C)	HECS-HELP advance payment (A + C)	HECS-HELP total liabilities (A + B + C)
Current Advance	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Revised Advance	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Adjustment	-\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	-\$ [REDACTED]	\$ [REDACTED]

Payment	Current Advance	Revised Advance	Adjustment
FEE-HELP	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
OS-HELP	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

The University will be advised separately of any payment adjustments relating to SA-HELP for 2014.

Adjustments to payments as a result of these variations commenced from the 23 October 2014 pay date and will be distributed across payments for the remainder of the year.

If your staff have any questions concerning these adjustments, they should not hesitate to contact the department via the FEP@education.gov.au mailbox.

Yours sincerely



Julie Birmingham
A/g Branch Manager
Finance and Implementation Branch
Higher Education Funding and Implementation Group

29 October 2014