

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. ED0715_15

Senator Carr asked on 14 November 2014 , Hansard page 44

Question

Overseas Students Tuition Fund

Senator KIM CARR: There is a fund associated with the board, isn't there? Ms Baly: There is the overseas student tuition fund. Senator KIM CARR: How much money is in that? Mr Mahajan: There is currently about \$11.4 million. That is at 31 October. Senator KIM CARR: What is the long-term sustainability of that fund? Ms Baly: I am not sure I understand the question. Mr Mahajan: If you could clarify, Senator, I could probably answer that. Mr Griew: We get advice annually from the board, whose job it is to make recommendations about the levies to be charged to maintain the fund. Our assessment is that the fund is in fine health. Senator KIM CARR: You have had advice from the Australian Government Actuary to that effect, have you? Mr Mahajan: Yes, we have. Senator KIM CARR: What was the nature of that advice? Ms Paul: I am not sure we are able to give that advice. Perhaps we can take that on notice. I am just not sure. Senator KIM CARR: 'The fund is in fine health.' Is that the Actuary's assessment? Mr Griew: Yes, Mr Mahajan has said so. Ms Paul: But you have asked for all the advice and, as I said, we will take that on notice.

Answer

In June 2014 the Australian Government Actuary (AGA) provided a report to the TPS Board which was intended to give some empirical context to the consideration of 2015 levy arrangements. In that report the AGA noted that:

the Overseas Students Tuition Fund is currently in a sound financial position with significant cash reserves and low levels of liabilities for placements and refunds in respect of notified failures to date (Australian Government Actuary, 2014, p. 4).