

Senate Committee: Education and Employment

QUESTION ON NOTICE

Supplementary Budget Estimates 2016 - 2017

Outcome: Skills and Training

Department of Education and Training Question No. SQ16-001092

Senator Cameron, Doug provided in writing

Explanatory Memorandum for the VET Student Loans Bill 2016

Question

The Explanatory Memorandum for the VET Student Loans Bill 2016 outlines a cost to the budget of \$58.6 million over the forwards – with \$13 million of this related to less interest and loan fee receipts. What makes up the rest of the \$58 million?

- a. Can you break that down into each element?
- b. Are there additional resources for assessing whether providers meet the new standards? How many staff will be in the unit that undertakes the assessments of providers?
- c. Will anything be spent on consultants?
- d. What will the public debt interest impact of this measure be over the forward estimates and the medium term? Can you provide that impact on an annual basis on notice?

Answer

- a. The Explanatory Memorandum for the VET Student Loans Bill 2016 outlines a cost to the budget of \$58.6 million over the forward estimates. These costs include administered costs of \$13.2 million (associated with the HELP program) and departmental costs of \$45.4 million. The departmental costs include implementation costs as well as costs associated with the introduction of new compliance measures to underpin the new loan scheme.
- b. There will be a combination of contractors and permanent staff assigned to the Taskforce to ensure the Department of Education and Training is appropriately resourced.
- c. Yes, the department will continue to engage with or contract expertise as required.
- d. Departments do not cost Public Debt Interest (PDI) impacts of individual measures. This is calculated centrally by the Treasury on a whole-of-government level.