

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 ADDITIONAL ESTIMATES HEARING

Outcome: 2
Output Group: Various

DEST Question No. E1097_06

Senator Wong asked provided in writing.

Question:

Special Appropriations – Movement in programme specific parameters and CPI movements – Which programs have been affected by these CPI movements and by how much in each program? What was the CPI revised from? What is the new level? Why did this revision occur?

(Refers to page 11 of the 2005-06 Portfolio Additional Estimates Statements)

Answer:

Movement in programme specific and CPI movements

CPI movements is one element of the changes. The other element relates to a change in the Higher Education Indexation Factor (HEIF) which decreased by \$22,243,000.

Programmes specifically affected by a movement in the CPI rate are:

- Youth Allowance – decrease of \$770,000
- Austudy – decrease of \$122,000; and
- ABSTUDY Tertiary – increase of \$90,000

Living Allowances paid under these programmes are adjusted throughout the year using quarterly CPI movements as published by the Australian Bureau of Statistics (ABS). The forward estimates are based on the Treasury forecasts of CPI.

For Youth Allowance and Austudy initiatives – the last CPI estimate for the 2005 June YTD Quarter was 2.6% however the actual CPI for that period was 2.5%

For ABSTUDY – the last CPI estimate for the 2005 June YTD Quarter was 2.3% however the actual CPI for that period was 2.5%. The last ABSTUDY CPI estimate was not updated for the 2.6%.

Revisions for CPI are routinely made using quarterly CPI data.