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Higher Education Legislation Amendment Bill
(No.1) 2002

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Higher Education Legislation Amendment Bill (No.1) 2002

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Contents

Purpose	1
Background	1
Main Provisions	2
Endnotes.	3

Higher Education Legislation Amendment Bill (No.1) 2002

Date Introduced: 14 February 2002

House: House of Representatives

Portfolio: Education, Science and Training

Commencement: Royal Assent

Purpose

To amend the *Higher Education Funding Act 1988* (the Act) to establish a scheme for providing loans to overseas-trained professional people who require bridging courses to enter their professions in Australia.

Background

The Government announced in the 2001-02 Budget that income contingent loans for bridging courses for overseas trained professionals would be introduced from 1 July 2002. This measure was estimated to save \$2.1 million in 2002-03 by replacing the Bridging Courses for the Overseas Trained Program.¹ This program is administered by the [National Office of Overseas Skills Recognition](#) (NOOSR) in the Department of Education, Science and Training (DEST). It provides bridging courses to assist overseas trained professionals holding Australian citizenship or permanent residence and living in Australia, who have not been able to achieve recognition of their qualifications in Australia. These bridging courses help to meet or prepare to meet specific academic or professional requirements for:

- registration or other entry to regulated professions, or
- membership of a professional body or other occupational entry to self-regulating professions.²

The current program benefits around 500 persons each year. According to the Minister's Second Reading Speech, the demand for courses has exceeded the supply of places (which

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has been limited by the program's budget). It is hoped that the new scheme will encourage an expansion in the supply of these courses.

The proposed scheme is similar to the Postgraduate Education Loans Scheme (PELS), which provides income contingent loans for fee-paying postgraduate coursework students.³ PELS was introduced by the *Innovation and Education Legislation Amendment Act (No. 2) 2001*, which received assent on 18 September 2001. Like the PELS, the new scheme will be jointly administered by DEST, the Australian Taxation Office, and participating educational institutions. In summary, the scheme will enable the Commonwealth to pay the tuition fees of students undertaking bridging for overseas trained professionals (BOTP) courses. These payments, or loans, will be repaid through the taxation system when the student's income reaches a specified level. No interest is charged on the loan, although the amount of the debt is indexed for inflation. Indexation and repayment arrangements are the same as those for PELS and the Higher Education Contribution Scheme (HECS).

The new scheme will not effect the NOOSR Assessment Fee Subsidy for Overseas Trained Australian Residents (ASDOT) scheme, which pays the fees for some assessments of overseas qualifications where occupations are regulated or, in other professions, the fees for any examination required. ASDOT is only available for disadvantaged persons (holders of Commonwealth concession cards).⁴

Main Provisions

Item 3 of Schedule 1 inserts a new Chapter 4B in the *Higher Education Funding Act 1988* establishing a BOTP loan scheme.

Proposed section 98S provides that the Minister may determine specified occupations and assessing bodies for the purposes of the scheme. Such determinations are to be disallowable instruments.

Proposed section 98T provides that assessing bodies may make 'assessment statements' which indicate that if a particular person undertakes specified studies, exams or training, then that person would meet the requirements for entry into a particular occupation in Australia. These 'assessment statements' can only be made for persons who have overseas qualifications for specified occupations (ie. those determined under **new section.98S**) and who propose to seek entry to that occupation in Australia.

Proposed section 98U sets out the circumstances in which subject units, courses of instruction, and tuition and training programs constitute 'BOTP courses'.

Proposed section 98V defines the citizenship/residency requirements for the scheme.

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Proposed section 98W makes compliance with the requirements of the BOTP scheme a condition of financial assistance to institutions under the *Higher Education Funding Act 1988*.

Proposed section 98X sets out the procedures for applying for a BOTP loan.

Proposed section 98Y provides that some existing provisions of the Act relating to the tax file number of a student apply to recipients of BOTP loans.

Proposed section 98Z sets out the notification requirements for institutions towards students who are enrolled in BOTP courses and who have applied for loans to pay their fees.

Proposed section 98ZA requires the Commonwealth to make a loan to students who have met the requirements of the scheme. This loan is to be equivalent to the student's outstanding fees, and is to be paid to the institution in discharge of the student's liability.

Item 9 of Schedule 1 amends s.106H91) of the Act to include BOTP debts in the definition of 'semester debt'. This means that the provisions of the Act relating to the calculation and repayment of loans will apply to BOTP debts.

Endnotes

- 1 *Budget Measures 2001–02* (Budget Paper No. 2), p. 95
- 2 See <http://www.dest.gov.au/noosr/brgcourses.htm#program>
- 3 Information on PELS can be obtained from <http://www.hecs.gov.au/pels.htm>
- 4 See <http://www.dest.gov.au/noosr/asdot/asdot.htm> for information on ASDOT.

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