

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. ED0723_15

Senator Carr asked on 14 November 2014 , Hansard page 66

Question

Number of applications for special circumstances

Senator KIM CARR: What information can you provide the committee with as to the number of applications for special circumstances that you have had in recent years?
Ms Borthwick: I think we said—I cannot remember whether it was at the last estimates or the inquiry—that we had had in the order of 40 complaints over the last 12 months or so.
Senator KIM CARR: Sorry—40?
Ms Borthwick: Forty-three. Is that right? We have had 66 complaints registered, including a number—which I think is 23; Mr Johnson will correct me—which are simply reports through the media rather than direct inquiries from students, and we can give you the number of those inquiries which go to the question of loan revocation.
Mr Johnson: If I could just clarify: you made the statement, as I understand it, as to special circumstances. I do not have those figures in front of me, but I can certainly provide them on notice.
Senator KIM CARR: Thank you. I am particularly interested in the case where a person undertakes a course of study and the course is found out to be deregistered. Do people still have to pay their HECS or repay their loans for a course that was worthless?
Mr Johnson: When you refer to deregistration, you are presumably—
Senator KIM CARR: De-accredited. Mr Johnson: De-accredited by the regulator?
Senator KIM CARR: Yes, by a regulator. Mr Johnson: Again, that is either the tertiary or the VET regulator. Again, each case would be investigated by the department on its circumstances.
Senator KIM CARR: Have you had any examples of that?
Mr Johnson: I cannot recall any offhand, but we will take it on notice.
Ms Borthwick: We will take it on notice.

Answer

The department does not receive applications for remission of a HELP debt.

Applications for remission of a HELP debt under 'special circumstances' are made directly to the provider. Under the *Higher Education Support Act 2003* (the Act), the provider must be satisfied that special circumstances as defined in the Act apply to a person's situation. Where an application is declined, the person may make an application to the Administrative Appeals Tribunal (AAT) for a review of that decision. The Secretary of the Department is the respondent in the matter.

To date in 2014 there have been 29 applications to the AAT regarding disputed remissions because of special circumstances under the Act:

- 6 have been withdrawn;
- 4 were settled;
- 3 have been dismissed; and
- 16 are ongoing.

Under the Act, 'special circumstances' are defined as circumstances that meet all of the following criteria:

- (a) are beyond the person's control; and
- (b) do not make their full impact on the person until on or after the census date for the unit of study in question; and
- (c) make it impracticable for the person to complete the requirements for the unit in the period during which the person undertook, or was to undertake the unit.

Since 1 January 2014, 12 200 students have had debts for 28 323 units of study remitted in special circumstances. This represents around 0.8 percent of students enrolled in 2014.

Remission of a person's HELP debt cannot occur under the 'special circumstances' provisions, as defined in the Act, where a course is 'de-accredited'.

If the Australian Skills Quality Authority (ASQA) suspends delivery of a particular course by a particular institution, or removes a course from an institution's scope of delivery, this does not affect the status of units of study from that course that have already been delivered. There is no provision for HELP debts for completed units of study to be remitted.

Similarly, if an institution's approval as a VET FEE-HELP provider is revoked by the department, or it is deregistered by ASQA, there is no provision for HELP debts to be remitted as a result.

In such circumstances, students can apply to the Minister for Finance to have their HELP debt waived.

Two private higher education providers, East Coast Gestalt Training Incorporated and Oceania Polytechnic Institute of Education Pty Ltd were revoked as FEE-HELP providers in 2011 and 2012 respectively, after they were deregistered by their state registering body. The reasons for their deregistration included the grounds of quality.

The FEE-HELP debts of students studying at these institutions were not remitted as the special circumstances provisions did not apply.

Two students of the Oceania Polytechnic Institute of Education have applied to the Minister for Finance for a waiver of their FEE-HELP debt. The Minister's delegate at the Department of Finance has sought information from the Department of Education on these applications. The applications have not been settled.