

EDUCATION, SCIENCE AND TRAINING

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

Outcome: 2

Output Group: 2.4 – Funding for Higher Education

DEST Question No. E399_06

Senator Nettle provided in writing.

Question:

- a) Are HECS and other FEE-HELP debts transferable to partners or dependents upon the death of the debtee?
- b) What monitoring and legislative change is DEST proposing to ensure that wealthy postgraduate students are not enrolling for FEE-HELP and then immediately paying off their debt in order to receive a 10% discount on fees? Or is the government's intention to provide this additional advantage and fee reduction to wealthy students? (This problem is outlined in AFR 18/4/05)
- c) Why is there a 20% loan fee for undergraduate students accessing FEE-HELP but not for postgraduate students? What is the rationale for this?

Answer:

FEE-HELP debts

- a) No.
- b) There is no differentiation in the treatment of HECS-HELP, FEE-HELP and OS-HELP debts. All students who take out a HELP loan and make a voluntary repayment of \$500 or more to the Tax Office, are entitled to a bonus of 10 per cent for a voluntary repayment.
- c) The Australian Government previously provided loans to fee-paying postgraduate students and to HECS-liable students. The 20 per cent loan fee, which applies to FEE-HELP loans for undergraduate courses of study only, was introduced to help meet the cost of extending loans to undergraduate fee-paying students for the first time.