

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 BUDGET ESTIMATES HEARING

Outcome: 2

Output Group: 2.5 – Assistance for post school students including those with special needs

DEST Question No. E091_04

Senator Carr asked on 5 June 2003

Question:

- a) Can you confirm that loans for open learning under the Open Learning Deferred Payment Scheme will now be subsumed in FEE-HELP and will attract a real rate of interest for the first time?
- b) Can you confirm that loans for overseas-trained professionals' bridging courses – BOTPLS – will also be subsumed and attract a real interest rate for the first time?
- c) What kind of people take out these two types of loans?
- d) The cost of a unit in open learning is only a few hundred dollars, isn't it? Someone who can't afford that – isn't that going to be a sole parent or a person living on the unemployment benefit or disability pension?

Answer:

OLDPS and BOTPLS students and the new FEE-HELP arrangements

- a) Yes. Loans for eligible students studying at Open Learning Australia (OLA), currently offered through the Open Learning Deferred Payment Scheme (OLDPS), will be subsumed by FEE-HELP from 2005. FEE-HELP loans will attract a real rate of interest of 3.5% on top of indexation by the Consumer Price Index (CPI) for the first ten years of the loan, after which time the debt will be indexed to the CPI, but will otherwise be interest free.

It should be noted, however, that OLDPS is currently only available to students undertaking full-time study at the undergraduate level. Under FEE-HELP, eligible OLA students studying part-time and those studying at the postgraduate level will also have access to a loan.

- b) Yes. Loans for eligible students enrolled in a bridging course for overseas trained professionals, currently offered through the Bridging for Overseas Trained Professionals Loan Scheme (BOTPLS), will be subsumed by FEE-HELP from 2005. The loans will attract a real rate of interest of 3.5% on top of indexation by the Consumer Price Index (CPI) for the first ten years of the loan. After this time, the debt will be indexed to the CPI, but will otherwise be interest free.

- c) Students who take out an OLDPS loan are enrolled full-time in undergraduate level units of study at OLA. They are either Australian citizens, New Zealand citizens or holders of Australian permanent visas.

Students who take out a BOTPLS loan are enrolled in a bridging for overseas trained professionals course at an eligible institution, and are either Australian citizens or holders of Australian permanent visas.

- d) In 2003, the fee being charged by OLA for a unit of study is \$435. Under OLDPS, a student can defer \$367 and must pay the balance of \$68 upfront to OLA.

DEST is unable to provide comment on who can or cannot afford to pay the OLA fee as circumstances will vary between individuals.