

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. E315_04

Senator Harradine asked on 5 June 2003

Question:

I note that FEE-HELP and OS-HELP are interest-bearing loans.

- a) Has the Department undertaken any work or funded work on who these loans would appeal to?
- b) Would take-up of these loans tend to favour the relatively better off as people relatively worse off would be more cautious about taking on interest-bearing debt? Please provide copies of any work and evidence for your claims.

Answer:

Take-up of FEE-HELP and OS-HELP loans

- a) DEST has not undertaken or funded any work on the types of people who may choose to take-up a FEE-HELP or OS-HELP loan.
- b) There is no evidence to suggest that students from low socioeconomic backgrounds are less likely to take-up a loan.

Research on the Higher Education Contribution Scheme (HECS), undertaken for the Department in 1999 by Les Andrews (*Does HECS Deter? Factors Affecting University Participation by Low SES Groups*), addressed the issue of whether the introduction of HECS discouraged persons from low socioeconomic from undertaking higher education.

This research indicated that the primary reason influencing choices as to the participation of people from low socioeconomic backgrounds in higher education related more to values and attitudes towards higher education than to financial considerations.

This publication is available on the internet at:

<http://www.dest.gov.au/archive/highered/occpaper/99F/does.pdf>