

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. E308_06

Senator Carr provided in writing.

Refers to DEST Question No E506_05.

Question:

In answer to a question in February about projected levels of FEE-HELP debt DEST provided figures to 2008-2009.

These figures were significantly higher than forecast two years earlier. This was explained away with reference to the fact that the figures provided in February included loans that would previously have been accounted for under PELS.

However, the most recent available Triennium Report shows that PELS loans in 2003 were \$193m, when the margin between the two sets of figures in 2005-2007 is \$630m.

- a) What portion of the debt figures provided in E506_05 is attributable to what would have been incurred under the old PELS?
- b) Please provide projected FEE-HELP debts, excluding debt that would previously have been incurred under PELS, by both calendar and financial years for each year to 2009.

Answer:

Projected FEE-HELP debt

- a) The Department no longer projects liabilities that would have been incurred under PELS, as it was subsumed by FEE-HELP on 1 January 2005. FEE-HELP absorbed three former loan schemes – the Postgraduate Education Loan Scheme (PELS), the Bridging Courses for Overseas Trained Professionals Loans Scheme (BOTPLS) and the Open Learning Deferred Payment Scheme (OLDPS). It also extended loans to undergraduate fee paying students in Table A providers and to all higher education students in approved private HEPS. PELS was only available to public HEPS and a small number of private HEPS.
- b) The portion of estimated FEE-HELP debt for Table A providers, that excludes undergraduate studies, is around 78% of the total estimated debt for 2005. It rises to around 82% in 2009. Most of this debt would probably have been incurred under PELS, had it continued. However it may also include debts for postgraduate study by research, as well as bridging study for overseas-trained professionals and enabling courses.

The following tables provide the Department's projected FEE-HELP debts by both calendar and financial years for each year to 2009:

Estimated FEE-HELP debt - Calendar years

Public providers (Table A and Open Universities Australia)	2005 \$m	2006 \$m	2007 \$m	2008 \$m	2009 \$m
Undergraduate	95	117	125	128	132
Other ¹	341	446	569	612	625
TOTAL	437	563	694	740	756

Private providers (Table B and approved HEPs)	2005 \$m	2006 \$m	2007 \$m	2008 \$m	2009 \$m
Undergraduate	58	71	76	78	80
Other ¹	12	15	16	16	17
Total	70	86	92	95	97

Estimated FEE-HELP debt - Financial years

Public providers (Table A and Open Universities Australia)	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	2008-09 \$m
Undergraduate	48	106	121	127	130
Other ¹	178	396	510	574	617
TOTAL	225	501	630	701	747

Private providers (Table B and approved HEPs)	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	2008-09 \$m
Undergraduate	29	65	74	77	79
Other ¹	6	13	15	16	16
TOTAL	35	78	89	93	96

1. *Other* includes loans to students undertaking postgraduate study (coursework and research), as well as students undertaking bridging study for overseas-trained professionals and enabling courses.

2. Amounts may not sum to totals due to rounding.