

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. E346_06

Senator Carr provided in writing.

Question:

- a) What have you done to estimate the extent of these [indirect public] subsidies?
- b) Is there an absolute limit to the number of FEE-HELP loans that can be made available, because of financial capacity or prudential considerations? What is that limit? How will the Government ration FEE-HELP loans as that limit is approached? What policies will be followed? Where will the priorities lie for access to FEE-HELP loans?

Answer:

Limit on the number of available FEE-HELP loans

- a) The cost to the Commonwealth associated with doubtful debt, write-downs of debt and bonuses for voluntary repayments are estimated for the Higher Education Loan Programme (HELP) as a whole. The estimate also includes the expense associated with the provision of discounts for up-front payments for the HECS-HELP programme. Disaggregated estimates for FEE-HELP are not available. In 2005-06, the total budgeted expense related to these items is for the HELP programme as a whole, \$620m.
- b) There is no limit on the number of FEE-HELP loans that may be available. There is a limit of \$50,000 (indexed) on the amount that a student may borrow.