2008-2009

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

HIGHER EDUCATION LEGISLATION AMENDMENT (STUDENT SERVICES AND AMENITIES, AND OTHER MEASURES) BILL 2009

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendment to be Moved on Behalf of the Government

(Circulated by authority of the Minister for Education, the Honourable Julia Gillard MP)
OUTLINE

This amendment allows for an express provision to be included at Schedule 2 of the Bill, to ensure it is clear that amendments allowing for a reduced VET FEE-HELP debt amount will apply retrospectively in relation to all VET FEE-HELP debts incurred by eligible students from 1 July 2009.

The amendment removes any uncertainty regarding the application of the relevant provisions. All eligible students will be treated equitably and can take advantage of the Government’s decision to remove the VET FEE-HELP loan fee from their VET FEE-HELP debt amount with effect from 1 July 2009. This amendment ensures no eligible student that has incurred a VET FEE-HELP debt from 1 July 2009 will be disadvantaged.

FINANCIAL IMPACT

There is no financial impact associated with this amendment.
NOTES ON AMENDMENT

Amendment (1)

Inserts “(incurred before, on or after the commencement of the amendment)” into the application provision in item 2 of Schedule 2 to the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009.

This amendment will clarify that new subsection 137-18(2) will apply to VET FEE-HELP debts (incurred before, on or after commencement of the amendment) relating to VET units of study whose census dates are on or after 1 July 2009.

New subsection 137-18(2) provides that the amount of a VET FEE-HELP debt is either 120% of the loan fee or if the VET FEE-HELP guidelines specify a lesser percentage, that lesser percentage.

This amendment is intended to put beyond doubt that new subsection 137-18(2) will apply to all VET FEE-HELP debts (relating to VET units of study whose census dates are on or after 1 July 2009) which arise on or after 1 July 2009 and allow the VET FEE-HELP Guidelines to specify a lesser percentage of the loan for debts which arise on or after 1 July 2009. This amendment will provide that the amendments allowing the removal of the 20% VET FEE-HELP loan fee will apply retrospectively from 1 July 2009.