



ARCS: 292-30
File: AED-2012-00016

June 7, 2012

Sent via email:

Dear

Re: Request for Access to Records
Freedom of Information and Protection of Privacy Act (FOIPPA)

I am writing further to your request received by the Ministry of Advanced Education on February 9, 2012. On March 12, 2012, you narrowed your request to the following:

- *“The loan portfolio analysis report and any emails exchanged regarding Times Colonist articles, as well as any briefing notes and/or decision notes for the minister between June 1, 2011, and February 9, 2012 [subject matter: interest rates charged on post-secondary student loans].”*

Please find enclosed a copy of the records located in response to your request. Some information has been withheld pursuant to sections 12 (Cabinet and local public body confidences), 13 (Policy advice or recommendations) and 17 (Disclosure harmful to the financial or economic interests of a public body) of FOIPPA. The loan portfolio analysis report has been withheld in its entirety under ss.12, 13 and 17. A complete copy of FOIPPA is available online at:

http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/96165_00

Please note some information in the records is marked ‘not responsive’ as it does not respond to the wording and/or the date range of your request.

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The ministry has also provided the attached clarification notes for your information with respect to some interest rate analyses mentioned in the records. Your file is now closed.

These records will be published on the BC Government's Open Information website a minimum of 72 hours after it is released electronically or a minimum of five business days after it has been released by mail in hardcopy. To find out more about Open Information, please access the Open Information website at: <http://www.openinfo.gov.bc.ca/ibc/index.page>

If you have any questions regarding your request, please contact Hema Paupiah, the analyst assigned to your request, at 250 387-1805. This number can be reached toll-free by calling 604 660-7867 from Vancouver or 1 800 663-7867 from elsewhere in BC and asking to be transferred to 250 387-1805.

You have the right to ask the Information and Privacy Commissioner to review this decision. I have enclosed information on the review and complaint process.

Sincerely,



On behalf of:
Maxine Vanzetta, Manager
Health / Education Team
Information Access Operations

Enclosures

CLARIFICATION NOTES FROM THE MINISTRY OF ADVANCED EDUCATION

Information quoted in the Times Colonist in February 2012 indicated that it would cost government approximately \$34 million annually to eliminate the interest rate. This calculation is based on \$618 million (the value of the loan portfolio in repayment) x 5.5% (the cost of interest currently charged).

There are a number of dollar amounts quoted within the documents being released in this request. The following information attempts to provide some context around the numbers:

- **Page 48:** Reference to *“Analysis done last year determined that the cost to government of reducing current rates charged in repayment to prime plus 1 percent would be \$9.7M in 2011 and \$121.5M over 10 years (2011 – 2020) assuming a prime rate of 3%.”*
 - The quote references the cost of reducing the interest rate from 5.5% currently to 4%. This is a reduction of 1.5%. A reduction of interest of 1.5% would cost \$9.7 million annually; and
 - Due to anticipated growth and interest rate fluctuations over a 10-year period, the cost of the 1.5% reduction over 10 years would be \$121.5 million. 10 years represent the average term of an outstanding loan.
- **Page 50:** Reference to *“Reducing the interest rate by 1% on the \$618 million in student loans in repayment would reduce government revenues by approximately \$6 million annually.”*
 - The quote references the cost of a 1% reduction in interest but if no interest was charged (meaning a reduction of 5.5%), the cost would equal \$34 million (5.5% of \$618 million).

<p style="text-align: center;">How to Request a Review with the Office of the Information and Privacy Commissioner</p>

If you have any questions regarding your request please contact the analyst assigned to your file. The analyst's name and telephone number are listed in the attached letter.

Pursuant to section 52 of the *Freedom of Information and Protection of Privacy Act* (FOIPPA), you may ask the Office of the Information and Privacy Commissioner to review any decision, act, or failure to act with regard to your request under FOIPPA.

Please note that you have 30 business days to file your review with the Office of the Information and Privacy Commissioner. In order to request a review please write to:

Information and Privacy Commissioner
PO Box 9038 Stn Prov Govt
4th Floor, 947 Fort Street
Victoria BC V8W 9A4
Telephone: 250 387-5629 Fax: 250 387-1696

If you request a review, please provide the Commissioner's Office with:

1. A copy of your original request;
2. A copy of our response; and
3. The reasons or grounds upon which you are requesting the review.