

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Budget Estimates 2014-2015**

Outcome 3 - Higher Education, Research & International

Department of Education Question No. ED0380_15

Senator Rhiannon asked on 5 June 2014 , Hansard page 94

Question

New repayment threshold of \$50,638

Senator RHIANNON: Thank you. I am also interested in how many graduates will be impacted when the new repayment threshold of \$50,638 is implemented. I thought you would have all these figures because the costs have been estimated. I thought you would have had figures to have worked out the costs. Ms Paul: We may have some of them, so we will keep going. If not, we can get them on notice for you. Mr Griew: Do we have an estimate of the number who will be in that band between the \$50,000? Mr Warburton: No. For the budget figuring, I think we need to take it on notice. Mr Griew: I think we do need to take it on notice. Senator RHIANNON: But you would have a number, though, would you not? You must have to have worked out the costs. Ms Paul: We will take it on notice. ... Ms Paul: In other words, we may not have needed the number to have made the estimate because we had dollars. But nonetheless we have taken it on notice and we will give you what we can. Mr Griew: There is a point of explanation here. We work with the Australian Government Actuary on everything to do with the HELP estimates. So they will use actuarial methodology. As Mr Warburton says, it may not be as transparently based on a set of numbers. Senator RHIANNON: If they are not based on student numbers, can you share with the committee the assumptions that you worked off to come to the costs? Ms Paul: Sure. We will take that on notice. Senator RHIANNON: Thank you

Answer

The Australian Government Actuary (AGA) estimates that in 2012-13, there were approximately 65,000 HELP debtors with an income between the minimum repayment threshold and 90 per cent of that threshold (where the new 2 per cent rate will be applied). The AGA has carried out this estimation based on the repayment experience of current debtors.