

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2013-2014**

Outcome 3 - Higher Education, Research & International

**Department of Education Question No. ED0049_14
Senator Carr provided in writing.**

**Question
HECS-HELP Debts**

- a. What information does the Department collect from higher education providers on student HECS-HELP debts?
- b. What is the total amount of money owing in HECS-HELP debts?
- c. How many people currently owe HECS-HELP debts?
- d. what modelling has the Department performed on how this debt is likely to grow?
- e. What information does the Department have about the rate of repayment on these debts? What percentage of people have currently: paid their debt in full; are paying it back? do not earn enough to pay the debt back? are not paying it back because they are overseas?
- f. what research has the Department done on the return to the student, to society, and to the Australian economy on these debts? what is the return on these debts?
- g. Has the Department contracted any consultants in the past two months to do any work on the topic of HECS-HELP debts? Please provide details.
- h. Can the Department provide details of any papers or any work looking into selling student loans, or securitising these loans?
- i. What contact has the Department had from either Treasury, or the Department of Finance to assist with any form of modelling, or policy advice on selling or securitising student loans?
- j. Has the Department provided the Minister with any information relating to the administration of HECS-HELP debts?

Answer

a. Higher education providers are required to report all HELP debts to the Department.

b. The Higher Education Loan Program (HELP) consists of the HECS-HELP, FEE-HELP, OS-HELP, SA-HELP and VET FEE-HELP schemes.

The debts incurred from each of these schemes form part of a student's accumulated HELP debt and are unable to be disaggregated by type of scheme. The total outstanding HELP debt as at 30 June 2013 was \$30.1 billion.

c. The total number of debtors as at 30 June 2013 was 1,823,288.

d. The fair value of HELP debt as at 30 June 2013 was \$21.7 billion. This is forecast to grow to \$42.1 billion by 30 June 2017.

e. As at 30 June 2013, over 3.1 million students had accessed HELP loans since 1989 and approximately 1.3 million of those people had repaid their HELP debt. There were 1.8 million people with an outstanding HELP debt. The number of individuals who had made no repayments since 1989 was 1.1 million.

The average HELP debt was around \$15,900. The average time taken to fully repay HELP debt by people who had done so was approximately 8.4 years.

The Department does not have data on the numbers of people not paying back loans because they are overseas.

f. The Department has not undertaken research on the return to the student, to society, or to the Australian economy of HELP debts.

g. No.

h. The Department has not undertaken any work looking into selling student loans, or securitising these loans, other than general briefing in response to public speculation on the work of the National Commission of Audit.

i. Neither the Department of the Treasury nor Department of Finance has sought assistance with modelling or policy advice on selling or securitising student loans.

j. Yes