

Submission from Mr Peter Helibuth, Pro Vice-Chancellor, VET Operations and Growth
Tertiary Education Division | CQUniversity Rockhampton City for the Education and Other Legislation
Amendment (VET Student Loan Debt Separation) Bill 2018 and the Student Loans (Overseas Debtors
Repayment Levy) Amendment Bill 2018 [provisions] inquiry.

As Queensland's only dual sector University, offering vocational, undergraduate and postgraduate courses and qualifications, CQUniversity notes the Bill's intent to separate VET student loan debts from other forms of HELP debts, by moving the legislative basis for VET student loan debts from HESA into the VSL Act.

CQUniversity also notes that the legislation provides "that a person must start repaying a debt in relation to a VET student loan once they have finished repaying any HELP debts". This means that students who have both a Higher Education HELP debt, and a VET Student Loan debt will be repaying the HELP debt first, regardless of the order of the debts being incurred.

In CQUniversity's case, an increasing number of our students complete a VET Student Loan (VSL) assisted VET Diploma, and then continue on to a HELP supported Bachelor's degree. Once these students commence repaying their debts, their HELP debt will be repaid first. This could potentially negatively impact upon the fiscal sustainability assessment of the VET Student Loan program, as repayment of the VSL debt will be artificially delayed.

Rather than providing transparency of repayment rates of VET Student Loans, therefore, it has the potential to make VSL repayment rates appear worse than they would be under a more equitable repayment system that matches (for example) the order in which the debts were incurred.