

## Senate Committee: Education and Employment

### QUESTION ON NOTICE Additional Estimates 2014 - 2015

#### Outcome: Higher Education Research and International

#### Department of Education and Training Question No. SQ15-000102

Senator Rhiannon, Lee provided in writing

#### **VET FEE-HELP LOANS**

##### **Question**

1. May I have details about fees charged by VET providers? In particular, fees for Diplomas and Advanced Diplomas that are deregulated where there is no government subsidy? Is it possible to get that data?
2. What is the average amount for VET-FEE-HELP loans at the moment? What are the minimum and maximum VET-FEE-HELP loans currently issued?
3. How many students currently have VET-FEE-HELP loans? May I have this information broken down by:
  - a. State and field of study?
  - b. And for each year going back to the introduction of VET-FEE-HELP?
4. In relation to the repayment threshold for VET-FEE-HELP, what is the logic of linking that to the same level as HECS-HELP?
5. It is often cited that university graduates earn significantly more than non-graduates, whereas income levels for students with VET qualifications are often lower than their counterparts in the university system: why is the repayment threshold the same?
6. What proportion of VET-FEE-HELP debt is estimated will never be repaid?

##### **Answer**

1. Providers are not required to submit their schedule of course fees to the department.
2. The average VET FEE-HELP loan in 2013 was \$9,549 per EFTSL (Equivalent Full Time Study Load).

The minimum loan per EFTSL (based on the annual tuition fee) was \$2,980 for Agriculture, Environmental and Related Studies

The maximum loan per EFTSL (based on the annual tuition fee) was \$13,081 for Food, Hospitality and Personal Services.

3. VET-FEE-HELP loans data from 2009 (when VET FEE-HELP was introduced) to 2013, by state and broad field of study, is shown in [Attachment A](#). 2014 data is being finalised.
4. The Higher Education Loan Program (HELP) consists of HECS-HELP, FEE-HELP, OS-HELP, SA-HELP and VET FEE-HELP schemes. The debts incurred from each of these schemes contribute to a person's accumulated HELP debt. There is one set of repayment thresholds for HELP, which means that repayment arrangements are common among the individual HELP schemes.

Providing HECS-HELP and VET FEE-HELP through the same system, including using common repayment thresholds, allows students from both schemes to be treated equally.

That is, under HELP all students make repayments on the basis of their current income, regardless of which HELP scheme they access, their level of qualification or future earnings potential.

5. *Please see response to Question 4*

6. To assist in monitoring growth in Debt Not Expected to be Repaid (DNER) for new HELP loans, the Portfolio Budget statements include relevant performance benchmarks. The performance information published in the 2015-16 Budget statements allow for DNER of 19 per cent in 2015-16. Changes in DNER rates reflect a number of factors, including trends in the size of loans, the changing demographic profile of HELP debtors and projected future wage and repayment outcomes for new cohorts of students.

The debts incurred under each of the HELP schemes all contribute to a person's accumulated HELP debt and cannot be disaggregated by type of scheme. The Department therefore does not produce separate estimates of the proportion of VET-FEE-HELP debt that is not expected to be repaid.

<b>Eligible and VET FEE-HELP assisted course enrolments by broad field of education and campus state/territory 2009-2013</b>					
	<b>Eligible course enrolments</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Broad Field of Education</b>					
Natural and Physical Sciences	198	698	645	676	493
Information Technology	948	2420	1963	2197	2496
Engineering and Related Technologies	1885	4959	4509	5326	4837
Architecture and Building	680	2681	3244	4082	5393
Agriculture, Environmental and Related Studies	175	1613	1704	2026	1345
Health	2214	7341	12,807	16,598	20,295
Education	297	1241	1104	1143	1359
Management and Commerce	6983	16,711	20,482	30,456	54,083
Society and Culture	3955	10,412	12,631	16,443	21,758
Creative Arts	1940	8269	10,030	11,647	12,215
Food, Hospitality and Personal Services	641	2396	5157	5441	8100
Mixed Field Programmes	108	431	434	338	147
<b>Total</b>	<b>20,024</b>	<b>59,172</b>	<b>74,710</b>	<b>96,373</b>	<b>132,521</b>
<b>Campus State/Territory<sup>(a)</sup></b>					
New South Wales	3975	12,419	17,357	24,536	36,608
Victoria	14,717	42,063	46,057	48,134	41,539
Queensland	779	3160	9389	13,473	26,358
Western Australia	226	571	591	688	1552
South Australia	183	719	1053	6137	9958
Tasmania	–	–	–	–	43
Australian Capital Territory	88	191	263	616	1115
Northern Territory					17
Not reported	56	49	–	2779	15,331
<b>Total</b>	<b>20,024</b>	<b>59,172</b>	<b>74,710</b>	<b>96,373</b>	<b>132,521</b>

*Source: Department of Education VET FEE-HELP data collection. \* The most recent published and validated VET FEE-HELP data is from 2013.*

*Note: (a): In cases where a student undertook training in more than one state/territory, the enrolment has been reported under the state/territory where the majority of EFTSL was undertaken*