

**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. ED0257\_15**

**Senator Rhiannon provided in writing.**

**Question**

**HELP program expenses**

With regard to the expense associated with the Commonwealth funding/payments to universities that students pay back to the government through the HELP scheme – and specifically excluding expenses relating to the spread of interest rates between CPI and the 10-year bond rate: Where is this figure in the budget papers?

**Answer**

Forward estimates of HELP expense are stated on page 75 of the Department of Education's 2014-15 Portfolio Budget Statements. These expenses include:

- the discount for upfront payment of student contribution amounts. The discount is paid for students who elect to pay all or some of their student contribution direct to their higher education provider, reducing the person's reliance on HECS-HELP loans. This discount is due to cease on 31 December 2014 pending passage of legislation;
- the bonus for voluntary repayments. The Australian Taxation Office further reduces a person's HELP debt when the person repays an amount of that debt before they are required to do so. The bonus is due to cease on 31 December 2014 pending passage of legislation;
- the cost associated with HELP debt that is not expected to be repaid. There are a variety of reasons that debt may not be repaid, including low taxable income and death; and
- the cost that arises from HELP debts having no real interest rate and being repaid over time (the deferral cost).

The 2014-15 Budget papers do not contain a breakdown of these components of the HELP expense.