

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2015 - 2016**

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ15-000426

Senator Carr, Kim provided in writing

HELP loans

Question

"In regards to HELP loans:

(a) The PBS provides an estimate of the number of years it will take someone to repay their HELP debt. This rises from the current 8.7 years to 9.4 years in 2018-19. Can you tell me why this happens?

(b) Can you give me figures for the number of years for each of the strands of the HELP Program?

(c) What assumptions underlie each one?"

Answer

(a) The growth in 'average number of years to repay debt' performance indicator, as published in the 2015-16 PBS, reflects continued growth in average loan values, consistent with longer term historical trends. These trends also reflect the impact of economic trends, including employment and wage outcomes for previous cohorts of debtors, which influence the proportion of debtors earning above the minimum repayment threshold and how quickly debts have been repaid.

(b) - (c) The Higher Education Loan Programme (HELP) consists of HECS-HELP, FEE-HELP, OS-HELP, SA HELP and VET FEE-HELP schemes. The debts incurred from each of these schemes form part of the accumulated HELP debt and cannot be disaggregated by type of scheme. Similarly it is not possible to provide figures for the number of years for each of the strands of HELP.