

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2011-2012**

Outcome 3 - Higher Education

DEEWR Question No.EW0164_12

Senator Mason provided in writing.

Question

Repayment HECS-HELP Loans

1. How much revenue does the Australian Government receive each year from the HELP loans that are repaid through the tax system?
2. What is the average length of time currently taken to repay a HELP debt, and how has that changed over time since the introduction of the HECS scheme?
3. What is the average HELP-HECS debt that undergraduate students have accrued at the time of graduation, and how has this level of debt changed over time in each year since the introduction of the HECS scheme?

Answer – see overleaf

Answer

The Higher Education Loan Program (HELP) consists of HECS-HELP, FEE-HELP, OS-HELP and VET FEE-HELP schemes. The debts incurred from each of these schemes form part of the accumulated HELP debt on 1 June and are unable to be disaggregated by type of scheme once this occurs. Similarly, repayments made against the accumulated HELP debt are unable to be apportioned between the individual schemes making up that amount.

1. The total amount of HELP debt repaid in 2009/10 was \$1,367,320,000.
2. The Australian Taxation Office provides an estimate of the average length of time to repay a HELP debt. The average length of time taken to repay a HELP debt was 7.9 years for all debts that have been repaid as at 30 June 2010.

Individuals are considered to have repaid their debt if their balance is zero as at the end of a financial year. Debts that have been written off are not included. All debts from the schemes listed above are included.

The table below provides a time series of the average length of time taken to repay a HELP debt for the debts that have been repaid.

Financial Year	Average time to repay HELP debt (Years)
1988/89	0.1
1989/90	0.7
1990/91	1.3
1991/92	1.8
1992/93	2.2
1993/94	2.7
1994/95	3.1
1995/96	3.6
1996/97	4.1
1997/98	4.5
1998/99	5.0
1999/00	5.5
2000/01	5.9
2001/02	6.3
2002/03	6.5
2003/04	6.8
2004/05	7.1
2005/06	7.3
2006/07	7.5
2007/08	7.6
2008/09	7.7
2009/10	7.9

3. An excessive amount of resources would be required to develop a methodology, extract data and conduct analysis for all undergraduate students in all courses for each year since the introduction of HECS.