

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. SQ15-000176

Senator Carr, Kim provided in writing

VET FEE-Help loans - write offs

Question

How long do the debts stay against someone until they are written off? What is the process for writing debts off? What are the reasons for writing debts off?
What percentage of VET FEE-Help loans did the government write off last year?
Has the Department done any modelling on future trends for loan repayments and write-offs?
If not, why not?

Answer

A person's accumulated HELP debt is only written-off upon their death. Any compulsory repayment included on an income tax notice of assessment relating to the period prior to death (usually the last tax year) must be paid from the estate. The remainder of the HELP debt is cancelled.

The debts incurred from each of the HELP schemes (HECS-HELP, FEE-HELP, OS-HELP, SA-HELP and VET FEE-HELP) contribute to a person's accumulated HELP debt and are unable to be disaggregated by type of scheme. It is therefore not possible to separately identify VET FEE-HELP loan write-offs. In total, as at 30 June 2014, the value of HELP debt write-offs since 1989 as a percentage of the value of incurred debts is 0.2%.

The department, with input from the Australian Government Actuary, undertakes modelling of future trends in the HELP receivable. Write downs are not expected to impact significantly on repayments over the forward estimates.