Impact of bond rate indexation on students with a $30,000 and $40,000 HELP debt - Assumptions

- Students are assumed to graduate with a HELP debt of $30,000 or $40,000.
- Years to repay is measured from the date of commencement of work at a salary above the threshold to the date of the final repayment.
- CPI is forecast to be 3 per cent.
- For bond rate calculations, HELP debt indexation is based on Treasury's 10 year bond rate forecast assumptions.
- HELP thresholds are assumed to increase by 3 per cent per year.
- Starting salary is based on Graduate Careers Australia, Graduate Outlook Survey. Salaries increase at 10 per cent per year for years two to four and three per cent per year thereafter.
- Graduates are assumed to continue earning at full capacity until their HELP debt is repaid and to not make any voluntary repayments on their HELP debts.
- Average yearly repayment does not include the effects of the final year's repayment, as this figure is generally a small remainder which does not reflect the standard repayments graduates are making throughout their earning life.
- Average weekly repayment is calculated by dividing average yearly repayment by 52.