

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2017 - 2018**

Outcome: Skills and Training

Department of Education and Training Question No. SQ17-000939

Senator Cameron, Doug provided in writing.

New HELP thresholds - impacts on VET students

Question

- The Government estimates 183,000 more people will be drawn into the HELP repayment system when the new thresholds start in 2018-19. How many of these people will have VET FEE-HELP or VET Student Loans debts?
- How many people with VET loans will have incomes between \$42,000 and the current 2018-19 threshold of \$51,957?
- How many current or former VET students in each of the income bands will face higher repayments under the new thresholds?
- By how much will these changes reduce the amount of VET student debt expected not to be repaid?

NOTE - The Australian Government Actuary (AGA) estimated that \$1.2 billion in loans had been 'issued inappropriately' and a further \$1 billion simply wouldn't be repaid because the borrower's income will remain too low [Paragraph 2.16 (p 30) of the ANAO VET FEE-HELP report].

Answer

HELP debt incurred under each of the HELP loan schemes and the VET Student Loans program is consolidated into a single HELP debt at the Australian Tax Office for repayment purposes.

As a result, it is not possible to break down the number of HELP debtors with an outstanding HELP debt by loan type or to identify the impact of changing the repayment thresholds on debtors with VET loans.