

Senate Committee: Education and Employment

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

Outcome: Skills and Training

Department of Education and Training Question No. SQ15-000672

Senator Carr, Kim asked on 21 October 2015, Proof Hansard page 82

VET FEE-HELP (DNER assessment by AGA)

Question

Senator KIM CARR: So you would anticipate that figure to still be correct? Of the \$1.76 billion in loans incurred in 2014, you would expect 81 per cent of that to be recovered?

Ms Paul: That is for the whole of the HELP debt. Dr Banerjee has explained that we are not able to disaggregate the whole of the HELP debt. That is the AGA's estimate of debt not expected to be repaid.

Senator KIM CARR: So you are concluding the higher education arrangements for university students as well as VET students?

Ms Paul: They include it. Dr Banerjee did you just give evidence that the actuary had advised last year to continue to use the whole DNER?

Mr Banerjee: Yes.

Ms Paul: In other words, it sounds like, but I would like to check this on notice, that the actuary is not expecting a big change between them at that stage. But I will take that on notice, if you like.

Senator KIM CARR: I want to know when the last time was that the actuary looked at the VET FEE-HELP itself?

Ms Paul: That is what I want to take on notice.

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Senator KIM CARR: You have to expect that. But the question I am asking is: when was the last time anyone went to the default rate on the VET FEE-HELP program, which is now running at \$1.9 billion per annum? When was that done?

Ms Quagliata: We took that—

CHAIR: I think they took that on notice several times, Senator Carr.

Senator KIM CARR: I would be interested to know whether the department is confident in that estimate of 19 per cent.

Dr Banerjee: We will take that on notice.

Answer

The Australian Government Actuary (AGA) does not provide the department with separate *debt not expected to be repaid* (DNER) calculations for each of the five components of the Higher Education Loan Programme (HELP).

The Department of Education and Training confirms the 19 per cent figure for all HELP programme debt provided by the actuary.