

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Supplementary Budget Estimates 2016 - 2017**

Outcome: Skills and Training

Department of Education and Training Question No. SQ16-001089

Senator Cameron, Doug provided in writing.

Proportion of debts that will never be repaid

Question

Has the department done any modelling on the proportion of debts that will never be repaid?

- a. What proportion of students do you expect never to repay their VET FEE-HELP debts?
- b. What are the characteristics of those students?
- c. What is the aggregate value of this debt?

Answer

The Department of Education and Training uses the Australian Government Actuary's (AGA) analysis for calculations of debt not expected to be repaid.

- a) As published in the 2016–17 Portfolio Budget Statements, the estimated proportion of new debt not expected to be repaid, aggregated across the HELP program, is 18 per cent. VET FEE-HELP is not disaggregated.
- b) & c) It is not possible to disaggregate outstanding VET student debt from the total outstanding HELP debt.