

Senate Committee: Education and Employment

QUESTION ON NOTICE

Supplementary Budget Estimates 2016 - 2017

Outcome: Skills and Training

Department of Education and Training Question No. SQ16-001104

Senator Cameron, Doug provided in writing.

Trade Support Loans program

Question

Can Australian apprentices who are already participating in the Trade Support Loans program also take out a VET Student Loan?

If yes,

- a. If a student has both a Trade Support Loan and a VET Student Debt, are these consolidated or considered separate debts?
- b. If separate, which do they pay off first? Does the other loan continue to accrue interest while it isn't being paid?

If no,

- a. Does this mean that someone with a Trade Support Loan must fully pay this off before they can access a VET Student Loan, and vice versa?
- b. What would happen to an apprentice who decided to move into a different field of vocational study, but had already acquired a Trade Support Loan debt?

Answer

An Australian Apprentice already participating in the Trade Support Loans program can, if they meet the VET Student Loan eligibility requirements, also receive a VET Student Loan.

The Trade Support Loan and VET Student Loan debts are not consolidated and are considered separate.

VET Student Loan and Trade Support Loan debt's repayments are income contingent. VET Student Loan debts are repayable prior to a Trade Support Loan debt. On 1 July each year the Australian Taxation Office (ATO) will apply indexation to the part of a person's individual Trade Support Loan debt that has remained unpaid for more than 11 months. Indexation will be applied in line with Consumer Price Index.