

**Senate Standing Committee on Economics**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Innovation, Science, Research and Tertiary Education Portfolio  
Additional Estimates Hearing 2011-12  
15 February 2012

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

**TOPIC:** Student Debt

**REFERENCE:** Question on Notice (Hansard, 15 February 2012, page 74)

**QUESTION No.:** AI-35

**Senator MASON:** I am not an economist, Dr Russell, but it does show the elasticity of demand for students to borrow. You cannot compare the US directly with Australia, but there is some comparison you could make about the elasticity of demand to put yourself in debt to pay for it. I am not saying it is a bad thing. I am not saying that. I am just saying it is an emerging issue and I think it is a growing one.

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**Senator MASON:** No. I am just thinking about what policy options the government is looking at. I am just thinking this might be something the government is looking at, but I am not going to ask you that. Let us not go there now. It is a discussion for another time. We have not got the time. Is it possible for the department to provide the committee with—even making some assumptions—what the average debt would be, Mr Griew, by 2025, assuming the Bradley target is met?

**Mr de Carvalho:** We can certainly think about what such a task might entail and the nature of the assumptions that would be required to be made in order to produce a meaningful result. I cannot necessarily commit that we will be able to do that, but we will certainly take that task on notice.

**ANSWER**

The real average debt of a completing student in 2025 is likely to be similar to that in 2012, unless factors such as the following change:

- maximum student contribution amounts;
- course length;
- the amount of study required before a person is admitted to a profession or occupation; and
- the proportion of students studying with earnings and/or the level of those earnings.