

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June 2010

Question: BET 408

Topic: HECS/ HELP Debt (ATO)

Hansard Page: Written

Senator EGGLESTON asked:

1. What is the size of the average HECS/HELP debt still owing? Can you divide that up on a state and university basis? How many bad HECS/HELP debts are expected to be written off over the next 12 months?

Answer:

From 1 January 2005, the Higher Education Loan Program (HELP) was introduced, replacing the Higher Education Contribution Scheme (HECS). The HELP scheme includes:

- FEE-HELP – for eligible fee-paying students enrolled at an approved higher education provider or Open Universities Australia.
- HECS-HELP – for eligible students enrolled in Commonwealth supported places.
- OS-HELP – for eligible Commonwealth supported students who wish to study overseas towards their Australian higher education award.
- VET FEE-HELP – for eligible students undertaking vocational education and training (VET) accredited diploma, advanced diploma, graduate diploma and graduate certificate courses with an approved VET provider.

This response includes data and information for the entire HELP scheme.

The average HELP debt is \$ 13,657 (see Table A).

Table A: Outstanding HELP debts by state and territory (as at 22 July 2010)

Australian state or territory	Total Outstanding HELP debt	No. of Outstanding HELP debts	Average Outstanding HELP debt
Victoria	\$ 5,563,881,392	393,242	\$ 14,149
New South Wales	\$ 6,040,513,239	437,018	\$ 13,822
Australian Capital Territory	\$ 453,693,351	33,011	\$ 13,744
Queensland	\$ 3,940,906,653	291,272	\$ 13,530
South Australia	\$ 1,384,662,903	104,176	\$ 13,292
Western Australia	\$ 1,790,680,558	137,667	\$ 13,007
Tasmania	\$ 377,956,828	31,229	\$ 12,103
Northern Territory	\$ 125,825,008	11,692	\$ 10,762
Overseas or unknown address*	\$ 198,341,353	16,113	\$ 12,309
National	\$ 19,876,461,284	1,455,420	\$ 13,657

* HELP debts owed by individuals currently overseas or with unknown residential addresses.

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The ATO HELP accounting system attributes the HELP debt to the individual to ensure accuracy of our data should the individual undertake studies at more than one university. We are therefore unable to provide a breakdown of the HELP debt for universities.

There is no legislative provision in the *Higher Education Support Act 2003* (HESA) to allow the write-off of a 'bad' HELP debt.

Section 140-40 of HESA provides for a write-off of a HELP debt, which states that upon the death of a person who has an accumulated HELP debt, the accumulated HELP debt is taken to be discharged.

Furthermore, a complete waiver of a HELP debt may be granted by the Department of Finance and Deregulation under section 34 of the *Financial Management and Accountability Act 1997*. This is usually only in circumstances of severe ongoing financial hardship.