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RUN URGES GOVERNMENT TO IMPLEMENT HELP PROPOSALS

The report "Doubtful debt. The rising cost of student loans" by Andrew Norton of the Grattan Institute proposes reforms to the Higher Education Loan Program (HELP) which would assist the budget now and in the future and not have a significant adverse impact on students or universities.

The Chair of the Regional Universities Network (RUN), Professor Peter Lee, said that the network supports the changes to HELP outlined in the report.

"In an environment where the budget is under significant pressure, the report makes some constructive proposals for savings that could be achieved by reducing doubtful debt and altering the rate at which the loan repayment threshold starts," Professor Lee said.

"RUN supports the recovery of student debt from Australians living overseas and from deceased estates via the mechanisms proposed.

"While lowering the repayment threshold for HELP debt by a relatively small amount will only generate modest savings and has the potential to reduce student demand, the report shows that pegging indexation of the earnings threshold for repaying HELP debt to the Consumer Price Index instead of average weekly earnings will generate significant savings," Professor Lee said.

"If all these measures were adopted in the 2014 Budget the report estimates that they would save \$860 million a year by 2016-17. RUN urges the Government to seriously consider these proposals."

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