



Improving the sustainability of higher education

Instituting a combined loan limit for HECS-HELP, FEE-HELP, VET FEE-HELP and VET Student Loans

What is the Australian Government doing?

From 1 January 2019, the Government will introduce a combined cap on the amount of tertiary education assistance a student can access for tuition fees. The new HELP tuition limit will apply to HECS-HELP loans, FEE-HELP loans, VET FEE-HELP loans and VET Student Loans.

The loan limit is not renewable. Once a borrower reaches the lifetime limit they cannot borrow further funds.

The proposed HELP tuition limits for the combined HECS-HELP, FEE-HELP, VET FEE-HELP and VET Student loans are:

- \$150,000 for students undertaking medicine, dentistry and veterinary science courses, and
- \$104,440 for other students.

The limits are reasonable and sufficient, in most cases, to cover almost nine years of study as a Commonwealth supported student.

Why is it important?

These reforms are necessary to ensure Australia's generous, income-contingent loan system remains sustainable so future generations of Australians, regardless of their background or their financial means, can continue to access higher education without upfront fees.

Outstanding HELP loans now total more than \$50 billion, and if reform is not pursued around a quarter of new debts are not expected to be repaid. Some students have borrowed excessively against the student loan schemes and amassed more debt than can be repaid during their working life.

Who does this affect?

The measure will affect all tertiary students intending to access HECS-HELP, FEE-HELP, VET FEE-HELP or VET Student Loans from 1 January 2019 onwards.

Medical, dental and veterinary science students who had previously reached their FEE-HELP limit would have access to additional funds up to the new \$150,000 limit. The limit for students in other courses would not be changed.

Previous FEE-HELP, VET FEE-HELP or VET student loans debt would be transferred onto the new HELP tuition limit.

From 1 January 2019, any new HECS-HELP borrowing would be counted towards a student's loan limit. Previous HECS-HELP debt would not be taken into account.

The Government will establish a new student entitlement management system which would enable providers and students to better manage their student debt incurrals against the HELP tuition limit. The system would prevent students from confirming loan amounts that exceed their loan limit.

Need more information?

- Providers can visit the [department's higher education reform page](#) for more information, where a range of provider-focussed [FAQs](#) are also available.
- Students can visit the [Study Assist](#) website for more information, where a range of student-focussed [FAQs](#) are also available.