

MEDIA RELEASE

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IHEA: Let's talk some more about reducing student debt.

Independent Higher Education Australia (IHEA) CEO, Dr Peter Hendy, today urged the Australian Government to abolish the 20 per cent FEE HELP loan fee imposed on students attending independent higher education providers. This call comes at a pivotal moment as Minister Jason Clare prepares to introduce legislation aimed at wiping \$3 billion of student debt for over three million Australians.

“The Government is introducing legislation this week they claim will wipe \$3 Billion in student debt. Let's continue that discussion and address the gross inequities baked into the FEE HELP system,” said Dr Hendy.

“The 20 per cent FEE HELP loan fee is an inequitable and discriminatory tax on education that disproportionately burdens independent undergraduate students. This fee not only escalates student debt but also stifles economic activity among graduates, creating an unfair disadvantage based solely on their choice of educational provider.”

Dr Hendy highlighted that the removal of the FEE HELP loan fee could return as little as \$6.2 million per annum to government revenue, yet it imposes a significant financial burden on students.

“It is unconscionable that while measures are being implemented to alleviate the impact of CPI increases on HELP students, those on FEE HELP continue to carry such a heavy financial load into their working lives,” he added.

The recent Australian Universities Accord Final Report explicitly acknowledges the need for fair treatment of students accessing FEE HELP, regardless of their provider. It raises concerns about the lack of coherence in FEE HELP arrangements and calls for “fair and flexible arrangements for full fee-paying students.”

Addressing the specious argument supporting the fee, Dr Hendy remarked, “The assertion that a 20 per cent administration fee is justified due to the absence of a Commonwealth Supported Place (CSP) is fundamentally flawed. It effectively punishes students for their choice of provider, compounding their financial challenges.”

Dr Hendy concluded, “As the government prepares to address student debt, we urge Minister Clare to also consider the urgent need to abolish the FEE HELP loan fee. It is time to ensure that all students, regardless of their chosen educational pathway, are treated equitably and afforded the opportunity to pursue their educational and career goals without the burden of excessive debt.”

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