

IHEA Urges Government to Abolish FEE-HELP Loan Fee for Fairer Higher Education Access

Independent Higher Education Australia (IHEA) is calling on all sides of politics in the lead-up to the federal election to commit to permanently abolish the 20 per cent FEE-HELP loan fee, which unfairly penalises students who choose independent higher education providers. As a key priority in IHEA’s Federal Election Platform, this reform is essential to promoting equity and reducing student debt.

IHEA’s platform outlines critical policy reforms designed to create a more inclusive and dynamic higher education system. The first pillar, Equity of HELP Loans, highlights the urgent need to remove the FEE-HELP loan fee—a financial burden that disproportionately affects students based on their choice of institution. Unlike their public university peers, independent sector students must borrow 120 per cent of their tuition costs, accumulating unnecessary debt that limits economic participation and career opportunities.

The Australian Universities Accord Final Report has acknowledged the inequity of this fee, yet students in the independent sector remain unfairly disadvantaged. Removing this levy would cost the government as little as \$6.2 million annually while eliminating an additional \$100 million in student debt. This simple but impactful reform would create a level playing field, ensuring all students can access high-quality education without financial discrimination.

IHEA CEO, Dr Peter Hendy stated: “The FEE-HELP loan fee is an unnecessary and inequitable barrier to education. Independent higher education students should not be forced to take on excessive debt simply because they choose innovative, high-quality institutions that align with their career goals. The government must act now to remove this unfair levy and support genuine student choice.”

“The Government has worked with the financial sector to make sensible reforms about how HELP debts are treated to help struggling first home buyers get into the property market. Abolishing the FEE-HELP loan fee will help first home buyers and all independent higher education students even further.” Dr Hendy said.

IHEA continues to advocate for a fair and inclusive higher education system that provides equal opportunities for all students. Policymakers must prioritise the permanent abolition of the FEE-HELP loan fee to uphold educational equity and ensure students are not financially penalised for their choice of provider.

For further information and to read the full IHEA Federal Election Platform, please visit: IHEA Federal Election Platform.

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