

## Minister for Education

### Student debt (including HELP loan indexation)

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## Minister for Education

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***If asked: What are you doing about PAYG repayments not being deducted before indexation?***

In 2023, the Minister for Education asked the Department of Education to work with the Australian Tax Office on the issue of PAYG instalments not being deducted before indexation is applied to HELP debt.

This matter was also considered as part of the Australian Universities Accord.

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## Minister for Education

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***If asked: Why were 2023 Commonwealth Contributions and Maximum Student Contributions indexed differently to student debts?***

Different indexation rates apply to student contribution amounts and student debts because of different reference periods in the legislation.

The Commonwealth does not set fees. It does set an upper limit on what both the Commonwealth and students contribute in a Commonwealth supported place.

The 2024 Commonwealth contributions and maximum student contribution amounts have been indexed by 7.8 per cent based on changes in CPI for the December quarter from 2021 to 2022. These amounts are indexed on 1 January.

Indexation of HELP debt is calculated each year after the March quarter CPI is released, based on data over the previous two years. Indexation applied on 1 June 2023 to HELP debts was 7.1 per cent.

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In 2023, the Minister for Education asked the Department of Education to work with the Australian Tax Office on the issue of PAYG instalments not being deducted before indexation is applied to HELP debt.

Included in the Accord's Final Report are recommendations to make changes to make HELP fairer and simpler.

The Government is considering the Report's recommendations.

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## Minister for Education

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