

AHA Statement on the Australian Government's Proposed HECS-HELP Debt Reductions

The Australian Historical Association welcomes the federal government's recently announced [proposal](#), if re-elected, to reduce the HECS-HELP debt burden on Australian university graduates by twenty per cent. Higher education fee repayments and indexation have exacerbated the current cost-of-living crisis for thousands of Australian graduates, including graduates in history. This debt cut, operating in concert with the proposed indexation refund and revised repayment threshold, will be welcome news for many of our members.

However, the AHA notes that this modest measure does nothing to grapple with the underlying problems that now engulf Australian higher education, including its high cost to students. Moreover, the largest share of that collective debt burden falls most heavily on those who are poorly placed to pay it off.

The Australia Institute has [recently shown](#) that over the past twenty years, the average HECS-HELP debt for a graduate in their twenties has doubled. This means that our federal parliamentarians, more than a third of whom graduated with Bachelor of Arts degrees (and forty-four per cent of the Labor Caucus), are charging today's graduates twice as much for the degrees they enjoyed for free, or for considerably less.

The Australian Universities Accord panel handed their [Final Report](#) to the Minister for Education, the Hon. Jason Clare, in December 2023. That report made several important recommendations for improving the structure of higher education fees.

First, the panel recommended the abolition of the Job-ready Graduates Package, introduced in 2020 by the previous federal government in the hope of discouraging enrolments in humanities, communications and social sciences courses. The result has been a 113 per cent increase in the price of student contributions for Commonwealth supported places in those courses. As the panel recognised, this 'experiment' in price signalling has been a failure, but the cost of that failure has been borne by graduates, and the package 'needs to be corrected as soon as possible'.

Second, the panel recommended the development of a new higher education funding model wherein student contributions are determined by 'the future earnings potential' of each field of study: 'The higher the future earnings potential, the greater the student contribution.'

Third, and in the hope of reducing barriers to higher education and training, the panel recommended the introduction of needs-based funding.

The Member for Fowler, Dai Le MP, has recently introduced a bill to repeal JRG. In her [Explanatory Memorandum](#), Ms Le says that 'Australia needs Historians, Philosophers, and Policymakers' just as we need 'Chemists and Engineers'. The AHA agrees and urges the federal government to support the bill.

Until the Job-ready Graduates Package has been abolished and a better model for student fees has replaced it as envisioned by the Accord process, the HECS-HELP system will remain manifestly unfair, and graduates in history will continue to draw the short straw.

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5 November 2024

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