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**Record increases to HECS-HELP debts sending young graduates to the wall**

On 1 June, more than 3 million university graduates – many in their 20's and 30's looking to get their start in life - will be hit with a 4.7% increase in their student debt. For the average student debt of \$25,000, this will result in a further \$1,245 added to the loan, and more than half a million graduates with debts of \$40,000 will have \$2,840 added to their loan.

This is the second highest indexation increase to HECS-HELP in over a decade and follows the punitive 7.1% increase last year, which was the largest increase in many decades.

For many working graduates earning less than \$65,000, these two record increases have meant that, despite repaying thousands of dollars off their HECS-HELP debt, their loan is actually increasing, not decreasing. To add insult to injury, HECS-HELP debt also impacts an individual's eligibility to borrow money from banks, stopping many from accessing home loans and other personal loans.

A key election commitment by the Albanese Labor government was to make higher education more affordable and accessible. Yet, two years into their three-year term, they have done nothing but make the situation worse, with the Prime Minister Albanese only kicking the can down the track saying there was “a range of areas where we need to do much better with the young generation ... and HECs is one of them.”

If Labor does have a solution for spiralling student debts, it needed to be in place two years ago when it would have made a difference.

In the face of escalating student debt, a cost-of-living crisis, an acute housing shortage, record increases to rent, and a five per cent fall in university enrolments this year, the Albanese government has done nothing but demonstrate it has no policies to support younger Australians get ahead.

The Prime Minister promised a simpler and fairer higher education system but we have seen no action, and that's a burden younger Australians will bare for generations.

**ENDS**