



29 May 2023

The Hon Jason Clare MP
Minister for Education
By email: minister.clare@education.gov.au

cc: Prime Minister Anthony Albanese
DLO@pm.gov.au

Dear Minister

Re: Urgent intervention on student debt

The growing burden of student debt is making news every day and it's beyond clear that urgent intervention is necessary.

On June 1 2022, student debts were indexed by 3.9%. On June 1 2023, student debts will be indexed by 7.1%. Based on the CPI forecasts in the May budget, the parliamentary library has estimated that next year, student debts will be indexed by around 3.9%.

This estimate means that in just two years of a Labor Government, student debts could increase by an astronomical 15%. This soaring student debt is made even more unfair by the fact that real wages are falling.

Student debt is already locking people out of the housing market, crushing dreams of further study and exacerbating the cost of living crisis.

Indexation is causing student debts to increase faster than they are being paid off. Larger debts take much longer to pay off, with student debt becoming a lifelong burden for too many. The growth of student debt disproportionately impacts young people and women, entrenching inequality.

We understand that the Universities Accord process is currently considering the affordability of higher education but given the urgency of the matter, this unprecedented situation requires an urgent intervention. We call on the Federal Government to intervene immediately to stop the 7.1% indexation on student debts before 1 June. We stand ready to support legislation which achieves this end.

The Government must not just sit back and allow millions of Australians to be swept away by a student debt avalanche.

Yours sincerely



Dr Mehreen Faruqi
**DEPUTY LEADER OF THE AUSTRALIAN GREENS
AND SENATOR FOR NSW**



**Senator Lidia Thorpe
Senator for Victoria**



**Dr Sophie Scamps MP
Independent Member for Mackellar**



**Andrew Wilkie MP
Independent Member for Clark**



**Kylea Tink MP
Independent Member for North Sydney**



Senator Tammy Tyrrell
Senator for Tasmania



Dr Helen Haines MP
Independent Federal Member for Indi



Dai Le MP
Independent Federal Member for Fowler