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## Massive Student Debts Expose Deep Flaws in Australia's Education System

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— Categories: Finance



New data revealing Australia's highest student loan debts has sparked national outrage and renewed concerns about the country's university funding model. According to information obtained by *Sky News* from the Australian Taxation Office (ATO), at least 50 individuals owe more than \$250,000 under the Higher Education Loan Program (HELP). The most extreme case shows one person carrying an eye-watering \$831,675.53 in student debt as of October 1, 2024.

HELP (Higher Education Loan Program), previously known as HECS (Higher Education Contribution Scheme), allows students to defer tuition payments until their income

surpasses a set threshold. While the average HELP debt for Australians in their twenties is under \$31,000, this individual's debt is more than 26 times that figure.

Journalist Tarric Brooker, who first shared the figures on X, called the debt “astounding,” noting it likely reflects a time when students could re-enroll endlessly with few limits. Before 2020, there was no cap on how much debt could be accrued. Today, the HELP loan limit for most students is \$126,839, and up to \$182,172 for medicine, dentistry, veterinary science, or aviation.

The public reaction has been fierce, with many calling it a “broken system.” Some accused borrowers of taking advantage of a policy loophole, particularly those who racked up debts and later retired, knowing repayment only applies to taxable income. One online comment summed up the sentiment: “You have to admit it's pretty impressive that someone can rort the system so thoroughly.”

Critics also questioned the role of universities in enabling such outcomes, suggesting institutions should be held accountable for promoting degrees with little economic return. As student numbers rose over the years, many argue that quality and job readiness were sacrificed in favor of profit.

Meanwhile, the Labor government introduced a bill this week aiming to cut student debts by 20% for around three million Australians. It would also raise the repayment threshold from \$54,000 to \$67,000. Education Minister Jason Clare framed it as a promise kept, saying it would “take the weight off the shoulders of young people.”

But many remain skeptical. Without deeper reform, critics argue that simply reducing debt ignores the root problem: a bloated, underperforming university system with little accountability and a growing cost to taxpayers.