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Labor's Cost-of-Living Promises: HELP Debt Cut, Paid Placements, and Energy Rebates

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The Labor government's recent pledges to address Australia's cost-of-living crisis—through a 20% Higher Education Loan Program (HELP) debt reduction, paid practical placements, and a \$150 energy rebate—aim to ease financial pressures but raise questions about sustainability and fairness. This article examines these promises, their potential impact, and the challenges they face amidst economic strain.

Labor's plan to slash 20% off HELP debts, announced for June 1, 2025, pending legislation, targets 3 million Australians, wiping \$16 billion

from student loans. For someone with the average \$27,600 debt, this means \$5,520 less to repay, a move Education Minister Jason Clare called “a game-changer” (Department of Education, 2025). Critics, including Coalition’s Sarah Henderson, argue it’s “elitist,” favoring degree-holders while ignoring the 24 million without student loans. The policy’s \$737.7 million cost over four years, per the Mid-Year Economic Fiscal Outlook, adds pressure to a strained budget, especially as inflation persists and housing affordability worsens.

The Commonwealth Prac Payment, offering \$331.65 weekly to 68,000 students in fields like nursing and teaching during mandatory placements, starts July 2025. While pitched as support for skill-shortage areas, it excludes students in veterinary science and psychology, and its means-tested nature limits access. Critics question why it’s not a universal grant, given the universal burden of unpaid placements. As one student, Alex Chambers, told ABC News, “It’s a step, but it doesn’t fix the broader issue of degree costs” (ABC News, 2025).

Labor’s \$150 energy rebate, extending relief to households and small businesses through 2025, aims to curb electricity costs, which dropped 25.2% in 2024 due to prior subsidies (Australian Bureau of Statistics). Costing \$1.8 billion, it’s a short-term fix that Treasurer Jim Chalmers admits may not outlast rising global energy prices. With Labor’s unfulfilled 2022 promise to cut power bills by \$275 annually, skepticism grows about long-term relief.

These measures, while offering temporary relief, sidestep structural issues like housing shortages and wage stagnation. As Australia grapples with a cost-of-living crisis, Labor’s promises risk being seen as electoral sweeteners rather than enduring solutions, leaving many questioning their true economic impact.

