While income-contingent repayment benefits students, HELP imposes costs on the government. Since its introduction in 1989, HECS and subsequently HELP loans have been indexed to the consumer price index (CPI). Indexation ensures that HELP balances keep their real value in the face of inflation. Since the governments borrowing cost tends to be higher than inflation, the government subsidises interest costs.[1] The slower debtors are to repay, the higher the subsidies.

[1]HELP lending, tuition funding, and most other higher education programs are special appropriations from consolidated government revenue. The government therefore does not borrow specifically for HELP, but HELP requires it to borrow more than it otherwise would if students were required to pay their student charges upfront.