

Media Release —

New Higher Education Student Loan Tax To Hit Students

— 16 September 2019
For Immediate Release

As the Australian Parliament considers legislation that radically affects the administration of FEE-HELP and HECS-HELP schemes to higher education students, the peak body representing independent education providers in the higher education, vocational education and training sectors, the Independent Tertiary Education Council Australia (ITECA), is calling on the Senate to assess the financial impact on students.

The contentious legislation is the *Higher Education Support Amendment (Cost Recovery) Bill 2019 (Cth)* and the accompanying *Higher Education Support (Charges) Bill 2019*, with the former amending the *Higher Education Support Act 2003 (Cth)*. The legislative amendment will implement an application fee on higher education providers that seek approval for their students to be eligible for FEE-HELP assistance. The Bills will also provide for the collection and administration of an annual charge from higher education providers. Although levied on higher education providers, the practical outcome is that the Australian Government's new charges will be passed on to students.

"When Government levies additional taxes on providers in the independent higher education sector, the cost impact invariably hurts students. Australia's independent higher independent providers are not-for-profit organisations, faith-based organisations and private organisations that have neither the large budgets nor taxpayer support to cover the extra costs," said Troy Williams, ITECA Chief Executive.

The Australian Government's approach to recovering the costs associated with administering the Higher Education Loan Program reveals an outdated and ineffective approach to the provision of services to students.

"It's effectively a tax on students in the higher education sector. Not only are they borrowing heavily, and generally at a young age, to invest in their education they are being taxed for doing so," Mr Williams said.

The full impact of this new student tax measure on students at independent tertiary education providers has yet to be clearly identified. There is no assessment in the public domain that provides an indication as to the adverse cost impact on student and it is in this context ITECA believes it is appropriate that the measure is subjected to an appropriate measure of scrutiny by the Senate's Education and Employment Legislation Committee. ITECA is currently liaising with the Opposition and key cross-bench senators with the hope of securing this review.

"Australia's independent higher education system is calling on the Senate to take a considered approach to this proposed legislation that effectively levies a new tax on students," Mr Williams said.

ITECA represents independent providers in the higher education, vocational education, training and skills sectors. There are around 130 independent providers in the higher education sector that collectively support more than 140,000 students.

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[ITECA Ref: N10.2.1]



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