

Media Release —

Higher Education Student Loan Tax Temporary Suspension Welcomed

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For Immediate Release

Legislation has been introduced into the Australian Parliament that temporarily suspends the higher education **Student Loan Tax** incurred by students borrowing to fund their education. The legislation is welcomed by the Independent Tertiary Education Council Australia (ITECA), the peak body representing independent providers in the higher education, vocational education, training and skills sectors.

The **Student Loan Tax** sees students studying with most independent higher education providers incur a charge of 25% over and above the value of the loan taken out to fund their studies.

Legislation before the Australian Parliament introduces an exemption from the requirement to pay the 25% loan fee for units of study with census dates from 1 April to 30 September 2020.

“The six-month suspension of the higher education **Student Loan Tax** was announced as part of a series of reforms to support students during the Covid-19 crisis, and in this context, this legislation is welcomed,” said Mr Troy Williams, ITECA Chief Executive.

ITECA is currently lobbying for the permanent removal of the higher education **Student Loan Tax** as it acts to limit a student’s choice of independent higher education provider.

“ITECA believes that the higher education **Student Loan Tax** should be permanently withdrawn. It’s absurd that we are taxing higher education students who choose to study with independent higher education providers to achieve their life and career goals,” Mr Williams said.

While students studying with independent higher education providers pay the tax (except for Bond University, The University of Notre Dame Australia, University of Divinity, and Torrens University Australia), students at public universities do not pay the higher education **Student Loan Tax**.

“It’s time to end the higher education **Student Loan Tax** permanently. At the end of the day this is about student choice. We want students to study at the higher education provider that best supports them without incurring an additional debt burden when doing so,” Mr Williams said.

The legislation introduced into the parliament on 11 June 2020 amends the *Higher Education Support Act 2003 (Cth)* and is currently before the House of Representatives.

Independent providers support around 10% of the 1.5 million students in higher education.

Ends.

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