

To whom it may concern,

In response to the ongoing public review of the education system, we have conducted a thorough analysis of the current Higher Education Contribution Scheme (HECS) loan system. Our focus has been on identifying potential concerns, particularly those stemming from religious beliefs, and exploring viable alternatives to address these issues.

**Usurious Nature and Religious Considerations:**

One of the primary concerns raised by certain segments of the population, notably the Muslim community, pertains to the perceived usurious nature of the HECS loan system. Usury, or the charging of interest on loans, is inconsistent with the religious principles of Islam. As such, the current interest-bearing loan structure can create financial challenges and moral dilemmas for Muslim individuals seeking higher education.

**Implications and Challenges:**

The existing HECS loan system, with its reliance on interest-bearing loans, can lead to several challenges for Muslim students:

- **Conflict with Religious Principles:** Interest-bearing loans are not aligned with Islamic teachings, leading to ethical conflicts for Muslim students who wish to pursue higher education without compromising their religious beliefs.
- **Financial Burden:** The accruing interest can result in higher repayment amounts, adding to the financial burden of already expensive education costs.
- **Inequitable Access:** The system inadvertently limits access to higher education for individuals who adhere to Islamic principles, hindering their ability to contribute effectively to society.

As we work towards creating an inclusive and equitable education system, it is imperative that we acknowledge and address the concerns of all religious and cultural communities. The current HECS loan system's usurious nature has brought to light a significant issue for Muslim individuals seeking higher education. By exploring alternative financing mechanisms that respect religious beliefs and principles, we can ensure that education remains accessible to all without compromising personal convictions.

We recommend further dialogue and collaboration with stakeholders, religious leaders, and experts in Islamic finance to develop a financing framework that is both ethically and financially sustainable.

Qazi Muhammad Saad  
Imam of Geelong Mosque

