

March 15, 2026

Dear Treasurer Chalmers,

I write as President of the [Australian Council of Graduate Research Inc](#) (ACGR), the national peak body representing Graduate Research Programs (PhD and Research Masters) at every Australian university to request the removal of income taxation on part-time Research Training Program (RTP) scholarships. This change is necessary to address a clear inequity in the current tax framework that disproportionately affects disadvantaged and under-represented PhD students. It's imperative that PhD students are adequately supported to enable the necessary growth in productivity and innovation to meet Australia's future research and development aspirations.

As of 2023, part-time PhD students comprise more than one quarter of all Higher Degree by Research (HDR) enrolments in Australia—17,463 students, or 26.14 per cent of the national PhD cohort. Approximately 40 per cent of these students receive stipends, meaning close to 7,000 part-time PhD students are currently subject to taxation on their RTP scholarships. In contrast, full-time RTP scholarships are treated as tax-exempt.

The financial impact of this inconsistency is significant, especially considering current RTP support for part-time PhD students is well below the poverty line, combined with the impact the cost of living crisis is having on this cohort of future research leaders. At four Australian universities, part-time RTP stipends exceed the tax-free threshold of \$18,200, resulting in annual tax liabilities for individual students ranging from \$126 to \$1,854. In aggregate, this generates an estimated \$5.3 million in annual tax revenue—a modest fiscal gain that comes at substantial personal cost to students already facing financial precarity.

Importantly, part-time PhD enrolment is not a lifestyle preference but a necessity for many cohorts. Women make up 58 per cent of part-time PhD students, and many are carers balancing research with family responsibilities. Students living with disability, as well as regional, rural and First Nations students, are also over-represented in part-time enrolments. For these groups, taxing stipends undermines the very purpose of RTP support and creates a structural barrier to participation in HDR. The current taxation on part-time PhD students also acts as a disincentive for students seeking to undertake part-time

employment whilst engaging in a part-time PhD. This undermines industry engagement efforts and negatively impacts research and development productivity.

The current situation arises from the interaction of the Income Tax Assessment Act 1997 and the Commonwealth Scholarships Guidelines (Research) 2017, which require full-time enrolment as a condition for scholarship tax exemption. This requirement fails to reflect contemporary PhD pathways and penalises students whose circumstances prevent full-time study.

The Australian Council of Graduate Research therefore recommends:

- Amending the Income Tax Assessment Act 1997 to explicitly exempt part-time PhD scholarships from taxable income; and
- Updating the Commonwealth Scholarships Guidelines (Research) 2017 to ensure parity between full-time and part-time RTP recipients.

This reform is supported across the higher education sector, including by [Universities Australia \(UA\)](#) and the [Council of Australian Postgraduate Associations \(CAPA\)](#). There is broad consensus that the current tax treatment of part-time RTP stipends is inequitable, inconsistent with the intent of the RTP, and counterproductive to national goals around equity, workforce participation, and research capacity.

We respectfully urge the Government to address this issue through targeted legislative amendment. Removing taxation on part-time RTP scholarships would provide meaningful relief to vulnerable cohorts, promote fairness within the research training system, and strengthen Australia's higher education and research pipeline.

Thank you for your consideration. We would welcome the opportunity to discuss this matter further.

Yours sincerely,



Professor Louise Sharpe
ACGR President
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