

6 March 2009

Dear Senators,

I am writing to express my concern over the *Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009 (Cth)* as introduced into Parliament by the Hon Kate Ellis MP, Minister for Youth and Sport.

As a tertiary student studying at the University of New South Wales, I will soon be required to contribute a compulsory services fee of \$250 (indexed annually) to my higher education provider under the Bill cited above. This fee will likely be paid in addition to the voluntary union membership fee already required to access many services on campus.

Access to such things as sporting facilities, entertainment, career and welfare services is essential to student life. However, following the implementation of voluntary student unionism (VSU) in 2006, many such services have either been greatly reduced or stripped of funding altogether. As such, more needs to be done to ensure that access to such services is maintained to an adequate level in the post-VSU environment.

The 2009 Bill in question, however, fails to strike the necessary balance between maintaining access to essential student services, and reducing the issue of student poverty and debt already endemic in the Australian student population. As tertiary bodies such as Universities Australia (UA) have stated, requiring students (many of which are financially disadvantaged) to fully fund essential services and amenities is not the approach that should be taken.

Instead, more needs to be done to ensure that such services, if essential to student life, receive greater and more adequate federal funding. My key initiative in this letter is to state that an approach is needed in which student services receive base level federal funding, and are then supplemented on a fair and equitable user pay system. This approach provides a far better and more reasonable balance in addressing student poverty, while ensuring that essential services remain in place.

Unfairly taxing students (being among the poorest socio-economic groups in the community) for essential services and amenities is not the way to go about restoring proper access to services necessary for student life.

The following points need to be considered in relation to the Bill in question:

1. The proposed compulsory student services fee will likely be paid in addition to existing student services fees and student union fees.
  - a. As stated in the 2009 Bill, the compulsory student services fee cannot be passed on to student bodies or student unions. As a result, students wishing to participate in services run by unionised student bodies will likely incur two sets of fees: one by way of a compulsory contribution, and a second voluntary union fee.

The system stated in the 2009 Bill effectively doubles the fees payable by students wishing to access the full range of services on campus.

It would be a far more equitable option to substitute the compulsory student services fee placed on students with base level government funding, and allow all remaining services and amenities to be supplemented by user pay systems and voluntary union fees.

2. Student poverty is endemic in Australia.
  - a. The Henderson Poverty Line for 2007 was \$715 per fortnight. A full time student receiving Youth Allowance/Austudy plus Rent Assistance receives only 59.48% of that figure.
  - b. The majority of tertiary students in Australia have had to engage in paid employment to support themselves while studying. According to the National Union of Students (NUS), 40% of students claim that work commitments are having a detrimental effect on their study, and 22% are said to have had to regularly miss classes due to employment commitments.

As a result, requiring students to pay a compulsory services fee in addition to living costs, textbooks and other course fees places an unjust burden on one of the most disadvantaged socio-economic groups in our community.

3. Allowing students to defer the compulsory student services fee through the Higher Education Loan Program (HELP) also places an additional and unnecessary financial burden on struggling students.
  - a. Australian students pay the second highest fees in the OECD after the 2007 25% increase. Students graduate with crippling levels of debt, up by 1100% since the 1990s.

Students studying for degrees in areas such as medicine and dentistry already acquire HELP debts totaling six figure sums in some cases. Requiring students to increase student loans to mortgage-sized debts also results in an unjust financial burden, even following the completion of tertiary study.

4. Other financially disadvantaged socio-economic groups within the Australian community are not targeted with unfair and overly burdensome compulsory fees and taxes.
  - a. At present community aged care services, disability services and unemployment services are fully funded by federal, state and local governments, non-government organisations (NGOs) and user pay systems.

Not one of the services mentioned are funded by placing additional taxes or compulsory fees on pensioners, the elderly, and disabled or unemployed persons.

5. The fiscal impact of providing base level funding will be minimal.
  - a. Most persons required to pay the \$250 compulsory services fee will opt to defer the payment through SA-HELP.

Given that the federal government is funding the bulk of the proposal upfront, cancelling the need to divide the total figure into individual loans greatly reduces administrative costs, and passes more of the benefits into the student community.

Since 2006, students have been greatly relieved of the financial burden of compulsory student union fees. The elimination of such fees has proven to be a significant step forward in the reduction of student poverty in Australia.

However, more needs to be done to ensure that essential services and amenities remain in place. As such, the federal government must implement an approach to funding in which such services receive base level federal funding, supplemented by a fairer and more equitable user pay system.

I trust you will take these considerations on board when formulating your stance on this issue.

Kind regards,

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