

Australian Vice-Chancellors' Committee*the council of Australia's university presidents*

(A.C.N. 008 502 930 – A.B.N. 53 008 502 930)

28 June 2003

The Hon Dr Brendan Nelson MP
Minister for Education, Science and Training
House of Representatives
Parliament House
Canberra ACT 2600

Dear Dr Nelson

The Educational Textbook Subsidy Scheme

I am writing on behalf of the Australian Vice-Chancellors' Committee (AVCC) to request that the Educational Textbook Subsidy Scheme be extended beyond the currently planned expiration date of 30 June 2004.

The Educational Textbook Subsidy Scheme was introduced on 1 July 2000 with funding provided for a period of four years. It is understood that no funding has been provided in your department's 2003-04 budget for the continuation of the Scheme. In a recent Senate estimates hearing, under questioning from Australian Democrats Senator Stott Despoja, Mr Bill Burmester of your Department confirmed that "the budget estimates reflect the government's policy position".

The Scheme was introduced to ensure that the cost of educational textbooks did not increase following the introduction of the Goods and Services Tax on 1 July 2000. The subsidy, which is capped at eight percent of the retail purchase price of textbooks, assists students studying at Australian educational institutions. The Scheme covers students in the school, Technical and Further Education and higher education sectors.

In the AVCC's survey of Australian undergraduate university student finances conducted in 2000, textbooks were found to be about 25% of course costs (exclusive of HECS) and the high cost of textbooks was directly mentioned as a problem by more than 10% of students who provided comments.

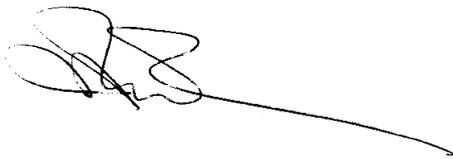
Removal of the Government subsidy will increase the cost of textbooks by the eight per cent value of the subsidy. Course-related costs such as textbooks are an "up-front" charge for students that cannot be deferred unlike course costs. Hence, in the absence of any increase in student income support, an increase in the cost of educational textbooks will increase the financial disincentive for students from low and middle income backgrounds to undertake higher education. This is contrary to the Government's stated policy that "individuals should be enabled to fulfil their potential, regardless of their personal circumstances and background"

(Backing Australia's Future, page 11). Students from low and middle income backgrounds with no parental financial support who do proceed to higher education will need to work sufficient hours to support themselves thus detracting from their educational experience or be forced to study part-time thus delaying their entry into full-time employment.

The Scheme is an important equity measure that has worked effectively to mitigate the cost increases of educational textbooks that would otherwise have occurred following the introduction of the Goods and Services Tax. The AVCC therefore strongly supports the extension of the text book subsidy beyond the proposed cutoff date of 30 June 2004.

In view of these comments the AVCC's urges you to reconsider the phasing out of this essential program.

Yours sincerely

A handwritten signature in black ink, appearing to be 'John Mullarvey', with a long horizontal line extending to the right.

John Mullarvey
Chief Executive Officer