

Dear Senator [name],

I am contacting you regarding the Higher Education Support Legislation Amendment (Student Loan Sustainability) Bill 2018. As a student of [university], I would like to communicate my concerns about this amendment, which, if passed by the Senate, will discourage students like myself from finishing or going to university. Our HECS-HELP system is an important enabling program which has worked for decades to help young Australians get a good start to their careers. The amendment seeks to destroy this world-class system and make education unattainable for low-income Australians.

The aspects of the amendment which I am most troubled by are:

Lowered repayment threshold for student loans

The proposed legislation would introduce a new minimum repayment threshold of \$45,000 (before tax). A yearly income of \$45,000 is just over half the average full-time wage of an adult in Australia, and is only marginally higher than the national full-time minimum wage. I think it is shocking that the amendment targets the most vulnerable graduates who are expected to pay back their student loans while earning little more than a living wage. This change imposes an unexpected hardship on new graduates for little net gain to the Government.

A cap on HECS-HELP loans

Under the amendment, a combined student loan limit would, for the first time, apply to students accessing HECS-HELP. When a student reaches their loan limit, they must pay their fees upfront. This will hurt students studying a combination of subsidised undergraduate and full-fee postgraduate degrees, which typically occurs under a “Melbourne model” style of education. This restricts students’ ability to access certain higher status degrees, such as postgraduate law, unless they can cough up tens of thousands of dollars (or more) upfront.

Retrospective changes

Australian students enrol at university with the assistance of their HECS-HELP loans. This enables them to get an education while only needing to worry about paying back costs once they are earning a liveable income. These are the terms under which students took out their loans. However, the proposed changes are retrospective. They pull the rug out from under students who began their university studies with a different expectation as to how they could utilise the HECS/HELP system for their degree. I think it is unfair that the changes are applied to students and graduates who signed up under the existing system.

For these reasons, I urge you and your colleagues in the Senate to vote against these punitive changes to student loans. My future, and the future of many young Australians, is in your hands.

Best regards,

[Your name]