

YOUNG LIBERAL MOVEMENT OF AUSTRALIA

Federal President
Aiden Depiazzi

Federal Vice President
Josh Manuatu

2 February 2017

The Hon. Scott Morrison MP
Treasurer
Parliament House
CANBERRA ACT 2600

Senator the Hon. Mathias Cormann
Minister for Finance
Parliament House
CANBERRA ACT 2600

Dear Treasurer and Minister Cormann

We are pleased to attach a submission for the Government's consideration as a part of the Budget process from the Young Liberal Movement of Australia.

The Young Liberal Movement is Australia's largest centre-right youth movement, bringing together thousands of young people around Australia.

On behalf of our Movement, we would be happy to meet with you or your officials to discuss this submission in further detail.

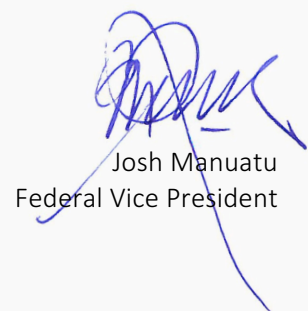
We have also copied this correspondence to the Ministers O'Dwyer, McCormack, Birmingham and Sukkar for their information.

Please do not hesitate to make contact with us at federal@youngliberal.org.au.

Yours sincerely



Aiden Depiazzi
Federal President



Josh Manuatu
Federal Vice President

YOUNG LIBERAL MOVEMENT OF AUSTRALIA

PRE BUDGET SUBMISSION

2017/18 BUDGET

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YOUNG LIBERAL MOVEMENT OF AUSTRALIA PRE BUDGET SUBMISSION

Introduction

The Young Liberal Movement is a federation of State and Territory Young Liberal divisions that come together as Australia's largest centre-right youth movement, bringing together thousands of young Australians who share our values. Our Federal President and Federal Vice President are elected annually by delegates from State and Territory divisions.

While the Movement is strongly supportive of the Government and its policy agenda, we believe that there are a number of key areas in which the Government could take further action so as to better support young Australians and seek to build a better future for our nation. The key priorities that we recommend the Government adopt in the forthcoming Budget are:

- Taking strong and effective action to lessen the burden of intergenerational debt in Australia;
- Building a stronger economy that fosters job creation, especially for young and aspirational Australians; and
- Abolishing the Student Services and Amenities Fee (SSAF).

Intergenerational Debt

Young Australians are generally aspirational and easy going – we want to have the same opportunities to excel and succeed that previous generations have enjoyed. A significant barrier to this is the enormous level of debt that has accrued in recent years, most significantly during the Rudd/Gillard/Rudd Governments. While the Government has done a commendable job in reducing the debt trajectory, as demonstrated in the 2015 Intergenerational Report (IGR), we believe that more urgent action must be taken to both get the Budget back into surplus and to pay down the debt.

It is deeply troubling to many young Australians that the level of Commonwealth public debt is now more than half a trillion dollars, something that our generation will need to work to pay back with interest. Under the 'previous policy' scenario – outlining Labor's potential impact on the Budget – in the 2015 Intergenerational Report net debt was projected to reach 122% of GDP in 2054-55 – equal to \$139,900 per person. While this had improved significantly as at the IGR (with net debt per person rising from \$10,400 in 2014-15 to \$65,600 by 2054-55), this is still an unsatisfactory encumbrance on the young Australians of today who will be saddled with the task of paying this back throughout their working lives.

On current projections, a Budget surplus will not be achieved until 2020-21¹ and even then the surplus is expected to be only around 0.1% of GDP, with minor increases to 0.4% of GDP in 2026-27; if those surpluses were to remain consistent it would take at least 50 years to pay off the debt, not including the interest. This intergenerational debt burden is something that we contend must be addressed.

Given the current financial situation, we believe that the Government should dramatically reduce expenditure, something that would be supported by the Australian people. Specific measures could include a fresh Commission of Audit to examine expenditure across government.

¹ 2016-17 *Mid-Year Economic and Fiscal Outlook*, Commonwealth of Australia, [chart data](#)



Stronger Economy and Jobs

One of the core values of our Movement is supporting aspirational Australians to get ahead. We have been pleased with the Government's efforts in supporting this cohort and, in particular, young aspirational Australians. We are cognisant that with the Free Trade Agreements with Korea, Japan and China as well as potential deals with India, Israel and the United Kingdom, there will be a strong and diversified export jobs market growing over the next 20 years.

We believe that government can do more to support aspirational young Australians, in particular by removing barriers to greater involvement in the workforce and reducing red tape associated with being self-employed or starting a small business.

Regrettably, while the Government provides significant support for getting started as an employee, there is relatively little assistance available for young Australians aspiring to be independent contractors or small business owners.

Abolishing the Student Services and Amenities Fee

The Student Services and Amenities Fee (SSAF) is a great big student tax costing Australian students more than one hundred million dollars every year. That's one hundred million dollars going straight to student unions in an unfair, undemocratic and unnecessary manner, paid for by the cohort of the population that can least afford such an impost.

More than \$429 million has been taken from university students since the Student Tax was implemented in 2012 and funnelled to student unions and guilds. There have been countless revelations of waste and mismanagement by student unions, including spending Student Tax funding on food and alcohol as well as on affiliation fees to the politically motivated National Union of Students. Despite this, there have only been nine departmental investigations most of which inexplicably found that the allowed expenditure was within the bounds of the legislation.

In 2016, the Young Liberal Movement released a report which exposed the Student Tax and called for reform. This report includes polling commissioned in 2013 that shows only one in five students support the Student Tax, while 52% don't believe that they are getting value for money. Given that the Student Services and Amenities Fee is required by law, overseen by the Commonwealth, but with no funds flowing to the Commonwealth, it is recommended that the Student Services and Amenities Fee be abolished to relieve pressure on young Australians.

Conclusion

We trust that this submission will be of assistance to the Government as it prepares its Budget for 2017-18 and eagerly look forward to its delivery in May.