



17/07/2023

Dear Ministry of Education,

We are writing on behalf of the Otago University Student's Association Executive to express our strong opposition to the proposed increase in the Annual Maximum Fee Movement (AMFM) for the year 2024. As representatives of the student body at Otago University, we firmly believe that this proposed increase will have detrimental effects on the accessibility and affordability of tertiary education. Instead we call on the Ministry to hold fees steady for the 2024 academic year.

While we acknowledge the need for educational institutions to cover increasing costs, we believe that burdening students with higher fees is not the solution. The proposed AMFM rate of 2.8% for 2024, in line with forecast inflation, fails to account for the already rising cost of education. Many students are already struggling with costs, and an additional increase in fees will only exacerbate their financial challenges, and further entrench student debt in Aotearoa New Zealand.

Higher education plays a pivotal role in shaping the future of our society. It should be a right, not a privilege, and should be accessible to all deserving students, regardless of their socio-economic backgrounds. Increasing fees year after year undermines the principle of equal opportunity and further widens the existing socio-economic disparities in our society. As inflation outpaces wage increases, increasing student fees in line with inflation will only increase the time taken for students to pay off their debt, putting them at further disadvantage going into the future.

Moreover, the proposed increase in the micro-credential fee cap to \$64 per credit also raises concerns. Micro-credentials offer students valuable opportunities to gain specialised skills and knowledge, which are increasingly demanded by employers in today's competitive job market. However, an increase in the fee cap may deter students from pursuing these micro-credentials, limiting their prospects for professional growth and hindering their ability to adapt to evolving industries.

Additionally, while we understand the importance of addressing cost pressures faced by tertiary providers, we strongly oppose the proposed changes that increase the flexibility of the AMFM. Allowing providers to temporarily reduce fees without being bound to the reduced rate undermines the stability and predictability of tuition costs for students. This lack of certainty makes it difficult for students and their families to plan their finances effectively, causing unnecessary stress and uncertainty.

Furthermore, relaxing the exception criteria for the AMFM may lead to a lack of accountability and transparency in fee-setting decisions. The criteria serve as essential safeguards to ensure that any exceptions granted are justified and aligned with the best interests of students. By loosening these criteria, the risk of unchecked fee increases arises, potentially placing an additional burden on students who are already struggling to meet the rising costs of education.



Lastly, we appreciate the Ministry of Education's efforts to increase transparency in student services fee decision-making. However, we urge you to go even further in ensuring that students' voices are heard and considered in this process. Requiring providers to publicly report how learner feedback influences fee decisions would enhance accountability and allow students to gauge the impact of their input.

We implore the Ministry of Education to reconsider the proposed increase in the Annual Maximum Fee Movement for 2024. The well-being and future prospects of our students should be at the forefront of any decision-making process. It is on this basis we believe that fees should be held steady for 2024. It is our shared responsibility to create an environment where education remains affordable and accessible to all, irrespective of their financial means.

We kindly request the Ministry to engage in open dialogue with student associations and representatives to collaboratively find sustainable solutions that prioritise the welfare of students and promote a fair and equitable education system.

Thank you for considering our concerns. We trust that you will take our opposition into account and act in the best interest of students across the country.

Ngā mihi,
OUSA Executive