

29 October 2010


The Secretary  
Senate Select Committee on the Scrutiny of New Taxes  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

By email: [newtaxes@aph.gov.au](mailto:newtaxes@aph.gov.au)

Dear Secretary,

Please find attached the University of Melbourne's submission to the Inquiry into Compulsory Student Fees, Select Committee on the Scrutiny of New Taxes.

Yours,



**Glyn Davis**  
Vice-Chancellor

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**University of Melbourne Submission  
Select Committee on the Scrutiny of New Taxes**

**Inquiry into Compulsory Student Fees**

**The legal nature of student amenities fees**

The University of Melbourne does not believe that the *Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010* imposes a new tax. Student amenities fees are not levied by government, received by government, or spent by government. They are levied, received and spent by universities, which though usually established by statute are independent of government. Legally, student amenities fees are fees for service. Those who pay the fee are entitled to services and benefits not available to other people. By contrast, paying tax does not typically create any rights to benefits in return.

As most universities are creations of state statutes, the power to levy a student amenities fee does not come from the Commonwealth *Higher Education Support Act 2003* (HESA). At the University of Melbourne, a general power to levy fees is included in the Victorian *University of Melbourne Act 2009* and its predecessor legislation. Other universities have similar powers. HESA does not remove that power, but limits its practical effect by attaching conditions to Commonwealth grants. HESA contains a number of restrictions on what fees universities can charge their students. A breach of those conditions could lead to a reduction in Commonwealth grants.

What the *Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010* would do, if passed, is partially restore *University of Melbourne Act 2009* powers effectively taken away by the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Act 2005*.

For the University of Melbourne, the HESA distinction between tuition and student amenities fees reflects campus traditions and the legal-political history of the respective fees. From 1974 to 2004, the student amenities fee was the only fee charged to Commonwealth-supported students that went direct to universities (HECS was a government charge). This created a very clear legal and financial distinction between student amenities and tuition finance.

**The contribution of student amenities**

Though tuition and student amenities have historically had distinct funding streams, the University of Melbourne sees both services as integral to its mission. We see academic success as being achieved with a broader context of personal goals and attributes. We want students to feel supported and strongly connected to the University at every stage of their studies, and in every aspect of the time they spend

with us. Extra-curricular amenities and support services for students, provided in partnership with the Melbourne University Student Union, are an integral part of this vision for the overall wellbeing and success of our students.

These amenities and support services include access to fitness and recreational facilities, places to eat, drink and relax on campus, and clubs, social opportunities and events to get involved in. The friendships and informal networks built through university years are a vital part of the university experience for many students, especially school-leaver undergraduates studying full-time. Some students will also require other support services during their time at the University, such as child care, independent advocacy and legal advice. We believe that student voices should be represented both on campus and externally.

Research shows that students place a high value on these services. Market research suggests that “great student experience” is the second most important driver of university choice (after “excellent career prospects”) for prospective undergraduate students.<sup>1</sup> In a recent survey of final year undergraduate students at the University of Melbourne, student groups and societies were the second most common support service students had accessed from the enrichment programs and services listed.<sup>2</sup> Other research has found that “inclusiveness and a feeling of fitting in is the single biggest predictor of overall satisfaction with the university experience amongst current students: “students want more than just books and lectures - they also want a social experience at university...and a sense of belonging.”<sup>3</sup>

Though student amenities are valued by students in their own right, students who are satisfied with their experience and well-integrated into the campus community are less likely to leave their courses before completion. This gives the provision of student amenities a direct link back to the University’s educational mission.

## **Conclusion**

The University should not be seen as taxing its students. Instead, it should be seen as a provider of educational and related services in a locally and globally competitive higher education market. Some universities in the market want to offer a broad university experience; we are one of them. In the recently announced review of university funding we will be putting in a submission calling on government to allow higher per student spending. We think this is a vital part of Australia having a strong and diverse higher education system. The passing of *Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010* would contribute to building the financial capacity to achieve these broad goals for Australian higher education.

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<sup>1</sup> *University of Melbourne Graduate Profile*, Colmar Brunton, January 2010, p.28.

<sup>2</sup> *Graduate Transition Survey: Final Report*, Marketing and Communications, University of Melbourne, August 2010, p.43.

<sup>3</sup> *The Sweeney Uni Student Report*, Sweeney Research, p.68.