

29 October 2010

Committee Secretary
Select Committee on the Scrutiny of New Taxes
PO Box 6100
Parliament House
Canberra ACT 2600
newtaxes@aph.gov.au

Dear Committee Secretary

Inquiry into Compulsory Student Fees as part of the Scrutiny of New Taxes

Universities Australia wishes to thank the Committee for the invitation to make this submission. Our comments are limited to the \$250 per year student fee associated with the *Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2010*.

The points raised below are directly relevant to points b, c, and d in the terms of reference. Universities have continued to provide most student services considered essential post 2005. The reintroduction of a student services fee will raise about \$180m additional revenue for universities that no longer has to be taken from base funding thus increasing the funds available for teaching and learning. The fee has a direct impact on the capacity of universities to maximise student outcomes in both the short and long (post university) term.

Universities Australia welcomes the introduction of a compulsory fee as it will greatly assist in reinvigorating campus life across Australia. The fee will also help restore essential services which have either operated under greatly reduced funding, or been discontinued completely since the introduction of voluntary student unionism (VSU) in 2005.

The Bill allows that the funding collected as Student Services and Amenities Fees will be used by universities for a range of non-academic purposes. Universities Australia identifies the following services as critical to support the learning outcomes of all students:

- Health and dental services; and
- Welfare services such as counselling; child care facilities; and the maintenance of independent legal and advocacy support.

While not essential in the same way as services, non academic activities, as provided by various campus clubs and societies, are an important avenue through which students can socially integrate into campus life.

Lack of subsidised or free access to these services is considered to be a barrier to successful study for many students, and Universities Australia believes that access to services will support more students of low socio-economic, Indigenous and/or disabled backgrounds through their degree programmes.ⁱ Provision of on-campus employment services will even help directly with a student's post-graduation outcomes,

Universities Australia appreciates that not all students may use these services during their study, but is firmly of the view that it is better for all students to contribute to the provision of the services, which are then available to all, than to not have the services available to those who need them. Additionally, such services will provide a safety net for those students who had begun their study with no need for the services, but whose situations change for the worse during the course of their study. The Bill requires universities to provide students with clear information regarding the services being provided through the Student Services and Amenities Fee. This information should encourage more students to utilise services which they may otherwise have not known existed.

According to the provisions of the Bill each university will be held responsible for the use of the funds collected from its students, and will have the option of providing the services directly or contracting the service out. Universities Australia supports this provision. While Student Unions have historically provided most of these services using the previously compulsory union levies, the Unions may not be the most appropriate providers of the services and amenities envisaged by this Amendment, and universities will appreciate the freedom to contract other providers.

It is relevant in the current economic climate to note that the introduction of a Student Services and Amenities Fee will act as a potential economic stimulus and will fund the restoration of jobs lost as a consequence of the VSUⁱⁱ.

Under the legislation the use of fees for party-political purposes will be strictly forbidden. Universities Australia supports this prohibition. Individual students hold a range of party-political views, and it would be inappropriate for funds collected from the entire student body to be used for partisan purposes.

Universities Australia notes that some stakeholders have campaigned against this Bill on the grounds that students are not able to shoulder the financial burden of the fee. A finding from the Universities Australia Student Finances Survey 2006, undertaken before the VSU legislation came into force, may be pertinent here. Students were asked whether they had difficulty in paying the then compulsory student union fees. 24% of undergraduates and 14.4% of postgraduates agreed that they did.ⁱⁱⁱ The conclusion must be that the majority of students did not experience any difficulty in paying the fees (which were in many cases well above the maximum of \$250 proposed in the current Bill) and would not experience difficulty in paying the new fee.

Those students who do face financial difficulty will have the option of utilising a deferred HELP loan, the value of which will be added to other HELP loans taken during study. Universities Australia considers that a cpi indexed \$250 per annum is not an excessive premium to provide services and amenities that will ensure that all students are provided with the appropriate supportive environment to succeed in their study.

In conclusion, Universities Australia asserts that the benefits of the student services fee are far greater than the cost incurred by individual students which will be offset through increased access to services that would

cost more than \$250 per annum if purchased on an individual need basis for users. In this respect the student services fee should be viewed the same way as household rates where service usage patterns differ markedly from household to household but the fees are spread relatively equally according to location and allotment size.

Could you please note that the indexation applied appears to be the old formula rather than the new labour price index.

Yours sincerely

Dr Glenn Withers AO
Chief Executive Officer

ⁱ <http://www.universitiesaustralia.edu.au/documents/publications/policy/survey/AUSF-Final-Report-2006.pdf>, pages 51, 59

ⁱⁱ http://www.acuma.org.au/Media/downloads/80_16200849022522_82.pdf, pages 133-134 (an estimated 1,700 jobs have been lost as a result of VSU).

ⁱⁱⁱ <http://www.universitiesaustralia.edu.au/documents/publications/policy/survey/AUSF-Final-Report-2006.pdf>, table 6.2, page 46.