

29 October 2010

**The Secretary**

Senate Select Committee on the Scrutiny of New Taxes  
Parliament House  
CANBERRA ACT 2600  
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**Inquiry into compulsory student fees**

Thank you for your invitation to the Innovative Research Universities (IRU) to make a submission to the Committee concerning the Government's intention to permit universities to charge students a student services and amenities fee.

The IRU is a network of seven comprehensive Australian universities committed to conducting research of national and international standing and applying their collective expert knowledge, capabilities and resources to enhance the outcomes of higher education.

The members are Charles Darwin University, Flinders University, Griffith University, James Cook University, La Trobe University, Murdoch University, and The University of Newcastle. Unlike other university groups we are spread diversely across inner city and outer-metropolitan areas, regional cities and towns, and remote locations.

The IRU welcome the opportunity to support the *Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010* (Amend the Higher Education Support Act 2003 to improve access to amenities, services, representation and advocacy for Australian university students).

The objective of the bill is to permit universities to levy a charge of up to \$250 a year on all students to support services which augment the student experience and significantly contribute to both student success and the development of well rounded graduates. The amount of money available for these services was substantially cut when the previous Government abolished the compulsory fee. Since its abolition universities have been extremely hard-pressed to provide essential student support services at a level enjoyed by students in the past.

The reduction in services has implications for all students but is particularly an issue for students from rural and regional areas, many of whom need to leave home to access their desired course increasing their reliance on university activities and services. These funds are also important to universities' capacity to increase the range of services available on campuses in regional areas.

The reintroduction of a levy would provide the essential means by which an array of student support services can be provided without the need to divert university funds that are meant to support teaching and learning to this purpose.

Reintroducing a levy as proposed by the Government will not involve any upfront financial hardship for students who can opt to cover the levy via a HECS style loan.

In terms of the particular focus for the Select Committee on the introduction of new taxes the IRU does not consider that the proposed student services charge constitutes a tax. The funds are not raised for, or on behalf of a Government. Rather universities will have the power to set an additional charge for students, alongside other charges, determining the particular rate and its application.

To assist the Committee we provide comments against the inquiry's terms of reference to the extent that they relate to the proposed charge on students.

*(b) The short and long term impact of those new taxes on the economy, industry, trade, jobs, investment, the cost of living, electricity prices and the Federation*

The addition of a small student services and amenities fee would improve the outcomes achieved by many students at IRU universities, strengthening their capacity to contribute to the economy once graduates. The overall impact would be modest but positive.

*(c) Estimated revenue from those new taxes and any related spending commitments*

In 2008 (the latest year for which there are published data) the IRU universities enrolled over 150,000 students equal to 109,000 equivalent full time students. Universities have not determined how they would set the fee, should they be free to do so. On past experience it is common to charge part-time students less than full-time students. If IRU universities were to charge the maximum amount for a full-time enrolment and proportionately less for part-time they would raise of the order of \$27.2 million.

These funds would be used to support a range of student services. The particular allocation would vary university to university based on university priorities as determined following consultation with students.

*(d) The likely effectiveness of these taxes and related policies in achieving their stated policy objectives*

The funds which universities would raise from the student services charge would be directed to relevant services as defined in the bill at 19-38(4). The permitted services relate to supports for services and amenities needed by students or which would widen the developmental experience of students. Hence the link between the additional fee and its intended outcomes is direct and strong.

*(e) Any administrative implementation issues at a Commonwealth, state and territory level*

There are no administrative issues with implementation of the charge. Universities already have in place mechanisms to charge and collect payments from students. The Australian Government processes for accessing HELP Loans are also well established.


*(f) An international comparison of relevant taxation arrangements*

The arrangements for student services and amenities vary from country to country. However the need to provide both individual support and encourage student activities is common to the major university systems with which Australia's universities compare themselves.

*(g) Alternatives to any proposed new taxes, including direct action alternatives*

The current arrangements see students services funded through the universities' other revenue streams, via individual student payments for particular services as used or the service simply no longer exists. The outcome is a significant diminution in the services available to students and a loss to the value of students' university experience. Universities' experience demonstrates the need for an additional fee to provide a certain base level of services.

Yours sincerely



Professor Sandra Harding  
Chair