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5 November 2010

The Committee Secretary
House of Representatives Standing Committee on Education and Training
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary,

Please find attached the University of Melbourne Submission to the House of Representatives Standing Committee on Education and Employment Inquiry into the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010

Yours,

~~Glyn~~ Davis
Vice-Chancellor

119085

University of Melbourne Submission
To
House of Representatives Standing Committee on Education and Employment
Inquiry into the Higher Education Legislation Amendment (Student Services
and Amenities) Bill 2010

The broad policy issue

The University of Melbourne strongly supports the principle that universities should be allowed to determine their own mix of student services and amenities.

We aim to provide a “Melbourne Experience,” with academic success being achieved within a broader context of social and personal development. 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 well-being and success of our students.

These amenities and support services include access to fitness and recreational facilities, clubs, social opportunities and events, and places to eat, drink and relax on campus. 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.¹ 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.² 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.”³

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.

The 2010 student amenities bill

¹ *University of Melbourne Graduate Profile*, Colmar Brunton, January 2010, p.28.

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

³ *The Sweeney Uni Student Report*, Sweeney Research, p.68.

The University would strongly prefer that the current bill pass if the alternative is further delays to restoring previous funding sources for student amenities. However aspects of the bill are less than fully satisfactory.

Unfunded obligations

One concern is that the bill may formalise one undesirable consequence of the 2005 legislation prohibiting separate compulsory amenities fees. Faced with the collapse of important student services after mid-2006, many universities diverted funding received for teaching to sustain these services. This added to serious long-term strains on teaching funds. Universities experienced real cuts to recurrent per student funding between 1995 and 2004 and then again since 2009 (the new indexation system to be fully introduced in 2012 is welcome, but only prevents funding rates going further backwards in real terms).

Under section 19-67 of the bill, the Student Services, Amenities, Representation and Advocacy Guidelines can require universities to provide some non-academic support services. The draft guidelines issued with the 2009 version of the current bill prevented the student amenities fee financing these services. Impliedly, these services were to instead be funded from the main source of teaching funding, the Commonwealth Grant Scheme (CGS). In effect, this was an unfunded increase in obligations under the CGS.

Complicating matters, most mandated services were also on a discretionary list of services that could be funded by the student amenities fee (the list that is at section 19-38(4) of the current bill). This distinction between minimum compulsory and optional extra provision of the same service, each with its own revenue source, would generate significant complexity. It could require separately costing and funding services that are integrated in their delivery. By leaving funding responsibilities unclear, the legislation and/or their associated guidelines could also cause unnecessary conflict between universities and student organisations.

The simplest remedy for this funding issue is to add a provision to section 19-67 preventing the guidelines from imposing unfunded obligations on universities. This would allow universities to use student amenities revenue to fund all non-academic student services. It would of course be open to the Commonwealth to provide separate additional funding for student services it believes are essential.

SA-HELP

The University endorses in principle the idea of an income-contingent loan for student amenities. However it does not believe that SA-HELP, a separate loan scheme duplicating HECS-HELP and FEE-HELP, is the best way of achieving this goal. There is already student confusion over the different HELP schemes and their varying purposes, debt charges, and maximum loans. Another loan scheme will add to this confusion, particularly as it will be far from clear to students why they need two loan schemes for what will, from their perspective, be one transaction. Duplicating HELP schemes will also generate additional administrative and service costs for universities. Systems will need to be modified to incorporate the new SA-HELP and student amenities fee transactions, and staff time will have to be spent answering student questions about the new loan scheme.

Though a comprehensive reform of HELP is obviously beyond this inquiry, the simplest solution would be to add \$250 to each maximum student contribution amount. This would mean HECS-HELP automatically covers the additional cost. For full-fee students, amendments permitting FEE-HELP's use for student amenities fees and increasing the maximum loan would serve the same purpose. The \$250 could still be separate in administrative arrangements, quarantining its use for student amenities. But only those directly involved in financial administration need be involved in this detail, with the hundreds of thousands of students who will otherwise take out two HELP loans having the same relatively simple enrolment process as now.

Conclusion

The University supports the general policy goals behind this legislation. The arrangements proposed in the current bill would be better than the status quo. However, some amendments to the bill could achieve the same purposes with much less complexity and lower compliance costs.