



3 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

Inquiry into Higher Education Amendment (Student Services and Amenities) Bill 2010

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*.

Universities have continued to provide most student services at a basic level post 2005. But this comes at the expense of direct education and research funding. The reintroduction of a student services fee will raise substantial additional revenue for universities that no longer has to be taken from core 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. There is major international research that shows that student services support increases student completions and student outcomes, especially for the least advantaged students¹.

Universities Australia welcomes the introduction of a compulsory fee as it will greatly assist in reinvigorating campus life across Australia and in supporting students with customised assistance when unexpected need arises. The fee will 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;
- Welfare services such as counselling and child care facilities;
- The maintenance of independent legal and advocacy support; and
- Employment and accommodation advisory services.

While not essential in the same way as services, non academic activities, as provided by various campus clubs and societies, are also an important avenue through which students can socially integrate into campus life, including benefit indirectly too for health and safety and community.

Lack of subsidised or free access to these services is considered by universities 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.ⁱⁱ Provision of on-campus employment services will even help directly with a student's post-graduation outcomes, as employers' value work experience.

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 for university communities and will fund the restoration of jobs lost as a consequence of the VSUⁱⁱⁱ. This can be very important indeed in regional areas especially.

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.^{iv} 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 an 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.

Certainly there is clear evidence that the Australian population very strongly supports the use of HECS-style provisions for education purposes and that this is especially so amongst younger persons who might face such costs^v

We note that the indexed amount for the initial increase of \$4.00 equates to an index of only 1.6%. This is the old formula and not the new PSTS LPI formula which was used for student contributions under HECS for 2011 and beyond. Universities Australia believes indexation should be applied consistently across all deferred student payments.

In addition, the deferred payment of the \$250 into SA-HELP rather than being part of HECS-HELP or FEE-HELP would seem to be an inefficient process given the compulsory nature of the fee. Universities Australia would rather the SA-HELP was rolled into HECS and FEE-HELP so as to simplify administration of the debt and repayment process.

In conclusion, Universities Australia affirms that the benefits of the student services fee for the Australians are far greater than the cost incurred by individual students. Passage of the Bill will allow campus communities to equitably levy for provision of services that are to the benefit of all students. The failure to pass this legislation in the previous Parliament was not to its credit, in the view of Australia's universities.

Yours sincerely

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ⁱ Douglas A. Webber and Ronald G. Ehrenberg http://www.ilr.cornell.edu/cheri/upload/cheri_wp121.pdf

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

ⁱⁱⁱ 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).

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

^v Tim Higgins and Glenn Withers, "Community Attitudes and Income Contingent Loans", *Australian Journal of Labour Economics*, 12 (2), 2009:217-236.