

Australian Government

Government Response

to the House of Representatives Standing Committee on Education and Employment Advisory Report

Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010

January 2011

Recommendation 1

That the Minister encourages that charges to international students be itemised, so that the potential for duplication of charges to international students be minimised

Response

Under the existing *Education Services for Overseas Students* framework, universities are already required to enter into a written agreement with each international student. The agreement must provide an itemised list of course money payable by a student. Course money includes any other amount, such as the proposed student services and amenities fee, that a student has to pay to the provider in order to undertake the course. Further, the proposed Student Services, Amenities, Representation and Advocacy Guidelines will require universities to consult with their enrolled students as to how any student service and amenities fee will be used to benefit students. These guidelines will also require that there will be elected student representatives which must include an international student.

Recommendation 2

That the Minister release the Student Service, Amenities, Representation and Advocacy Guidelines as soon as possible

Response

The draft exposure Guidelines were published on the Department's website on 15 November 2010. They may be accessed at www.deewr.gov.au/repguidelines.

Recommendation 3

That the Minister consider incorporating the loan into the existing FEE-HELP or HECS-HELP loan scheme, rather than as a separate SA-HELP.

Response

Due to the differing legal nature of the various loan schemes (ie. relationship to a <u>unit</u> of study and debt incurred on a census date for HECS-HELP and FEE-HELP versus relationship to enrolment in a <u>course</u> of study and debt incurred on a date payable for SA-HELP), it is not possible to merge the SA-HELP loan into the existing HECS-HELP and FEE-HELP loans.

Additionally, under the proposed Bill, universities will be able to set different fees for different groups of students, which may include not charging some students a fee. Merging the SA-HELP scheme into the other loan schemes would confuse and complicate the administration of the existing HECS-HELP and FEE-HELP schemes. Further, under the *Higher Education Support Act 2003*, universities must provide students with an itemised Commonwealth Assistance Notice that tells them how much they are paying for each unit of study. This Bill will require universities to add information about any student services and amenities fee to the Commonwealth Assistance Notice. If students' tuition and services fee loans were combined, it would not be possible to individually itemise the fees charged and debts incurred. As a result,

students would not be able to check that the correct amounts had been recorded which would undermine the very purpose of this important transparency measure.

The Committee may like to note that, for a HELP borrower, the various HELP loans are all one loan scheme and become one HELP debt for each individual at the Australian Taxation Office. The income contingent loan repayment requirements apply to an individual's consolidated HELP debt, not to each loan scheme separately.

Recommendation 4

That the Minister consider allowing higher education institutions a period of grace in implementing compliance measures outlined in the proposed guidelines to allow time to consult with their students or to establish new services or procedures.

Response

Section 19-67 of the Bill already specifically allows for a delay in meeting the compliance requirements until 1 January 2012 (or a later year if the related Guidelines are not in force on 30 June of the preceding year, ie. by 30 June 2011). This delay will enable universities to put in place the measures asked for in the Student Services, Amenities, Representation and Advocacy Guidelines before the requirements become a condition of the universities' 2012 Commonwealth Grant Scheme funding.

Recommendation 5

That the Minister consider allowing higher education institutions to use a portion of the revenue collected from fees to support the start-up costs of administrative and information technology services to administer the new program.

Response

In terms of administrative services, the Department of Education, Employment and Workplace Relations has primary responsibility for the provision of HELP loan information and the required forms for students to access the loans. These documents related to all HELP schemes are prepared, printed and distributed to the universities by the Department. Subject to the passage of legislation, the information and loan forms related to SA-HELP will be distributed to universities.

The Government's view is that the new loan element should not be particularly difficult to manage considering the existing IT infrastructure that providers must have in place to administer the current HELP schemes. Nonetheless, the Government gave a commitment in the 2008-09 Budget to provide \$20,000 to each of the Table A and B providers (ie. public and private universities) towards the implementation of the IT requirements.

The new data requirements associated with SA-HELP have been kept to a minimum and, subject to the timing of the passage of legislation and individual providers implementation of a student services and amenities fee, providers would have a window of up to 9 to 12 months before the related SA-HELP data is to be processed through the Higher Education Information Management System.