

## Chapter 2

### Opposition Senator's Report

2.1 Opposition members of the committee expect that these bills will not be opposed in the Senate. The establishment of Carnegie Mellon University (CMU) in Adelaide is a positive development, and this legislation is required to support the important higher education export industry. Overseas based higher education providers will be able to operate in Australia for the first time and offer services to local and overseas students.

2.2 Carnegie Mellon has an outstanding international reputation and was placed highly in both the *Times Higher Education Supplement* ranking of top universities and the Shanghai Jiao Tong University's world academic rankings. Its standard was stringently assessed before it was granted registration to operate as a university by the South Australian Government.<sup>1</sup>

2.3 The Opposition senators support the provisions in the bills that clarify and strengthen tuition assurance arrangements contained in the bills. As members of the Opposition noted in debate in the House of Representatives, Labor strongly supports changes that increase consumer protections for higher education students and uphold the reputation of the higher education sector.<sup>2</sup>

2.4 Although this legislative package is primarily designed to enable CMU to operate in South Australia from March 2006, the Opposition members of the committee draw the Senate's attention to wider implications of the bills.

#### **Accreditation process for foreign universities**

2.5 As Opposition members noted in debate in the House of Representatives, it is fundamentally important that the standard of universities in Australia is upheld in all cases where foreign universities will apply to open branches in this country:

Labor certainly places great importance on protection of the name and concept of a university. Currently, this protection is embodied in the national protocols, which are a vital tool for protecting the standard and reputation of Australian universities and their students. So much of Australia's good international academic standing depends on the reputation of our universities being first class centres for teaching and research.<sup>3</sup>

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1 The Hon Mike Rann MP, Premier of South Australia, *Submission 4*.

2 Ms Jenny Macklin MP, Deputy Leader of the Opposition, *House of Representatives Hansard*, 12 October 2005, p. 32.

3 *ibid.*, p.31.

2.6 While Carnegie Mellon's status as a university is beyond doubt, its acceptance into Australia and the passage of these bills to accommodate it should not open the gates to all foreign education institutions or allow any dilution of the high standards for recognition as a university in Australia. The Opposition members of the committee believe that the accreditation process must continue to be thorough, comprehensive and transparent.

### **Compulsory fee for student amenities and services**

2.7 Opposition senators believe that the provision of the bill regarding the ability for *Education Services for Overseas Students Act 2000* (ESOS Act) providers to charge overseas students for services represents a back flip by the Government on its policy of abandoning compulsory fees for student amenities and services. While the Opposition supports the fair and equitable provision of services to all students via compulsory amenities fees, they take issue with the inconsistent treatment of local and overseas students that would result from this amendment if the Government succeeds in introducing voluntary student unionism.

2.8 The proposed new subsection 18-2 of the ESOS Act confirms the power of registered higher education institutions to charge a tuition fee which includes amounts for actions the provider is required to take under the ESOS Act and National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (the National Code). These actions include the provision of broad support services and amenities for overseas students. The amendment would allow universities to charge the fees to international students despite any other higher education legislation. This would appear to conflict with the following provision of the Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union Fees) Bill 2005 (the VSU Bill) currently before Parliament:

A higher education provider must not require a person enrolled with, or seeking to enrol with, the provider to pay to the provider or any other entity an amount for the provision to students of an amenity, facility or service that is not of an academic nature, unless the person has chosen to use the amenity, facility or service.<sup>4</sup>

2.9 While the Minister's Second Reading Speech and the *Explanatory Memorandum* make no reference to the VSU Bill, it would appear that this provision is only necessary to counteract the adverse consequences of the above provision of the VSU Bill, which would otherwise constrain a provider's ability to charge overseas students to provide the support services mandated by the code.<sup>5</sup>

2.10 Opposition senators commend the submission by the National Liaison Committee for International Students in Australia (NLC) that this amendment, in

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4 Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union Fees) Bill 2005

5 Bills Digest 26 September 2005, no. 48, ISSN 1328-8091, Parliamentary Library, 2005.

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conjunction with the VSU Bill, will create divisions on university campuses between international and local students, lower the standard of service provision and leave international students to pay for services currently paid for by all students. The NLC also points out the better international reputation and stronger academic success of universities with excellent services and welfare support for all students.<sup>6</sup>

2.11 The Council of Australian Postgraduate Associations (CAPA) and the NLC fear that universities may in the future use this provision to exploit international students to make up shortfalls in Commonwealth university funding. This could occur because there is no requirement for universities to specify how the money is spent.<sup>7</sup>

2.12 There is a contradiction between this provision of the ESOS bill and the Government's rhetoric to support VSU. In putting forward this provision and the VSU Bill, the Government is exhibiting a double standard; that it is essential that support services are provided for overseas students, but the same range of services must not be provided collectively for domestic students. The Government's argument that VSU will support choice is undermined because students from overseas must fund all the services that the Government requires the university to provide for them without any input as to the services that are provided or indeed knowledge of how their money is being spent.<sup>8</sup> The support services and amenities currently funded by the compulsory amenities fee are determined by students and the representatives they elect. However, there is no requirement for international students to have a say in how the university spends the services component of their tuition fee.<sup>9</sup>

2.13 The support services used and needed most by overseas students include employment services, financial advisory services, social and multicultural clubs and societies, multicultural events, second hand bookshops, discounted food and retail shops and legal services. Many of the above services and those required by the ESOS Act and the National Code are provided by student organisations rather than universities and can only be provided through the economies of scale of mass participation in student services currently funded through the compulsory payment of the student amenities fee.<sup>10</sup> It is unlikely that universities will be able to continue to provide this range of services without a universal services fee.<sup>11</sup> The National Tertiary Education Union (NTEU) explained the likely effects as follows:

Without such services, Australia's international student market is at risk, as it the international reputation of Australia's higher education sector and the

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6 NLC, *Submission 1*, pp 4-5.

7 *ibid.*, p. 5; Council of Australian Postgraduate Associations (CAPA), *Submission 5A*, p. 9.

8 NLC, *Submission 1*, p. 7.

9 *ibid.*, p. 9.

10 *ibid.*; CAPA, *Submission 5A*, p. 7.

11 National Tertiary Education Union (NTEU), *Submission 6*, p. 6.

social, economic, employment and cultural benefits that this industry provides.<sup>12</sup>

## **Conclusion**

2.14 Opposition senators will not oppose the passage of this legislation.

**Senator Gavin Marshall**  
**Deputy Chair**

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12 *ibid.*, p. 8.