

Hon Steven Joyce
Minister for Tertiary Education

13 August 2010

Re: *Student Services Levy Review*

This submission is made on behalf of the New Zealand Union of Students' Associations (NZUSA). NZUSA is a federation of students' associations with members from Universities, Institutes of Technology and Polytechnics across the country. NZUSA has been representing the collective interests and concerns of tertiary students since 1929, as the peak body for learners and leaders of the student movement in New Zealand. We welcome the opportunity to submit on the *Student Services Levy Review*.

Our members associations are:

- Albany Students' Association (ASA)
- Association of Students @ UCOL (AS@U)
- Auckland University Students' Association (AUSA)
- Lincoln University Students' Association (LUSA)
- Massey University Students' Association (MUSA)
- Massey University Extramural Students' Society (EXMSS)
- Massey At Wellington Students' Association (MAWSA)
- Otago Polytechnic Students' Association (OPSA)
- Otago University Students' Association (OUSA)
- Students Association at Waikato Institute of Technology (SAWIT)
- Victoria University of Wellington Students' Association (VUWSA)
- Weltec Students' Association (WSA)
- Waiariki Institute of Technology Students' Association (WITSA)
- Waikato Students' Union (WSU)

Student services levies

Access to student support services at universities, institutes of technology and polytechnics greatly enhances the tertiary education experience and improves the likelihood of learners completing a qualification. We support the provision of such services, both academic and non-academic, and the ability of institutions to provide relevant and responsive services to their students. At most tertiary institutions, compulsory levies are charged in order to provide these services to all students. Such levies are not subject to the current tuition fee regulation policy, and following significant increases at some institutions in recent years, and the apparent lack of transparency around these levies, student leaders have some concerns on the implications for students.

Lack of parameters surrounding such levies, and the general lack of consultation with students, leads us to question whether such increases are fair and justifiable. There has been little noticeable increase in either services offered or the quality of the services, despite levy increases. This raises concerns that some institutions may be using levy increases as a revenue-gathering exercise, circumventing the restrictions and regulations in place regarding tuition fees, and utilising the relatively unguarded realm of student services levies.

It is interesting to note that the recent large increases in student services levies have noticeably risen alongside under-funding issues within the tertiary sector, and we are concerned that these levies are being used as an attempt to fill the funding gap, rather than to enhance the quality or range of services available. Given that institutions operated responsibly in regards to student services levies until a couple of years ago, without parameters or expectations imposed, links between the levy increases and sector under-funding are difficult to ignore. The added strain of increased student demand has also contributed to the funding gap and pressure on institutions to make restricted funding go even further.

Considering the cost to individual students, the large amount of revenue the levies generate, and the benefit to students of quality academic and pastoral care services, students are interested in where their levies actually go. It is not clear that student services levy income is ring-fenced for student services, particularly as Council resolutions committing to ring-fencing some significant increases in the past couple of years have resolved to ring-fence the extra income, indicating that previously they did not. The lack of clarity, transparency and accountability regarding these levies is therefore of concern.

In summary

We appreciate the review's interest in considering the implications for students of these levies (and levy increases), and as outlined above, we do have some concerns around the related processes and rate of such increases.

NZUSA therefore recommends the development of a set of guiding principles regarding services levies to enable the sector to responsibly self-regulate, and that such principles include an emphasis on transparency, affordability and collective provision.

In the interests of further transparency and accountability, we also recommend a centralised reporting system be introduced, notifying of service levy rates and increases at tertiary institutions, with justifications being provided for any increases. Notifications should include factors such as whether such increases to levies align with the institution's goals and objectives, involved stakeholder feedback including consultation with the students' association and students, and exploration of alternative funding mechanisms that may achieve the desired result. This process could be facilitated by the Tertiary Education Commission.

Such measures would send a clear Ministerial expectation that institutions were to behave responsibly and recognises the cost to students and the pressure that significant levy increases can pose on them. Should the Minister consider going further than this, for example with maximum

levies and annual levy movement limits being introduced, we would be interested to provide further input.

We appreciate the expectation that institutions will act responsibly when considering non-compulsory fee levels in 2010, and recognise that there is a balance to be struck between advocating for restraint and ensuring affordability for students, and ensuring that institutions are able to continue to offer much needed services and facilities, as provided by these levies.

We value individual institutions being granted the autonomy to be responsive to the needs of their respective students and to offer the services they deem relevant, and believe that with an appropriate set of guiding principles, and checks and balances in place to ensure that due care and process is exercised, the sector has the ability to responsibly self-regulate.

We recommend, and would welcome, student representation in any monitoring of student services and related levies, and the expenditure of such levies.

Yours sincerely,



David Do & Pene Delaney
NZUSA Co-Presidents