



Adelaide University
Postgraduate Students'
Association



Adelaide University
Overseas Students'
Association

To: Alison White, Planning and Reviews Officer, Office of Planning and Development

From: Anthony Long, PGSA/OSA Research Officer

Subject: *Our Universities: Backing Australia's Future*

Date: June 27, 2003

The PGSA and OSA share many of the concerns raised by fellow student groups, universities and others about aspects of the proposed reforms. In general, both organisations share most of the views expressed by the Australian Vice-Chancellors' Committee (AVCC).

The PGSA does not agree with most of the Federal Government's proposals (or the AVCC's support of them) to charge students increased fees. Whilst it may be necessary to find methods of increasing the funding of universities and accountability of students, raising course fees is not the appropriate way to achieve this outcome. It makes no difference whether increased fees are paid upfront or upon completion – the increased levels of debt *will* affect severely on the future lives of students. Evidence from New Zealand shows that people, who have substantial tertiary education debts, cannot afford to buy houses or raise families. Australians will face similar debt issues, should course fees be raised even higher than they are already. Whilst the option of giving universities to the possibility of lowering course fees is welcomed, this cannot be at the expense of increased fees in other courses.

An additional concern is the proposal to start charging interest on tertiary fees. Current funding arrangements tie student loans to the Consumer Price Index (CPI), which provides a mechanism to ensure that fees are paid back at an amount similar to that at which the loan was granted. However, proposals to start charging interest will mean that the Federal Government will be making a profit from the loans that students have. This is an unacceptable situation. There is substantial evidence that suggests that students from lower socio-economic backgrounds will be less inclined to seek a tertiary education, if they are faced with large debts upon graduation, particularly if these debts also attract interest.

Brendan Nelson's claim that the university system is only used by a minority of Australians, who then earn more than their fellow citizens, who have not studied at the tertiary level, has a large flaw: university graduates, who earn more, also pay more tax. In other words, university graduates already pay for their tertiary educations through the amount of tax that they pay.

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The issue of optional membership of student organisations is an issue that concerns greatly student organisations across the country, as their existence relies upon the collection of student services fees (SSFs) for funding. The PGSA and OSA feel that it is disingenuous for the Government to claim SSFs “are inconsistent with improved and easy access to higher education”,¹ particularly given the increased fees that students will have to pay for their courses – regardless of whether they are upfront fees or loans. However, the PGSA and OSA do not necessarily share the all the views of their sister organisations.

Both organisations strongly oppose the introduction of voluntary student unionism (VSU) in the form that was introduced in Western Australia in 1993, which effectively destroyed the representative role that student organisations play, as well as severely limiting other services that student organisations provide, including catering, social and sporting activities. Only with the financial support of universities and student organisations elsewhere in Australia were Western Australian student bodies able to function at all.

In 1994, the Victorian Government introduced a different type of VSU. The Tertiary Education (Amendment) Act of 1994 provides that, "the governing body of any Victorian post-secondary educational institution must not require any student to be a member of an organisation of students, or to pay a compulsory fee for membership of such an organization."² However, the Act allows the charging of compulsory services and amenities fees, but limits the expenditure of such fees to defined activities of direct benefit to the students at the institution.³ Whilst the PGSA and OSA do not necessarily support the introduction of similar legislation, both organisations do acknowledge that the Victorian version of VSU has seen student organisations benefit generally from its introduction. As universities are responsible for the collection of the fees, they do not attract GST, which maximises the value for money that student receive. However, students at the University of Adelaide do pay GST, due to the current student union structure. The PGSA and OSA would first like to see the details of legislation of this nature before offering their support; however, both organisations may be willing to support its introduction, providing it still allows for the collection of fees to maximise services for students.

Should the University of Adelaide require more detailed information, the PGSA and OSA are happy to provide it.

¹ *Our Universities. Backing Australia's Future*, 45.

² The Office of the Minister for Tertiary Education and Training, *News Release: Bill to Abolish Compulsory Student Unionism* (April 1994).

³ The Office of the Minister for Tertiary Education and Training, *News Release: Bill to Abolish Compulsory Student Unionism* (April 1994).