



# Are you charging compulsory student services fees?

Ways to comply with the Ministerial Direction



*The Education Act 1989 was amended in 2011 to allow the Minister to issue directions in relation to compulsory student service fees. The purpose of these changes is to ensure transparency in setting the fees and accountability for their use.*



# What is the Ministerial Direction?

**The Ministerial Direction for Compulsory Student Service Fees gives three key actions for tertiary education organisations:**



**A decision-making requirement**



**An accounting requirement**



**A reporting requirement**

Tertiary education organisations can charge a compulsory student service fee to help fund the costs of delivering student services such as health care and recreational activities.

How these fees are set and used are informed and regulated by Ministerial Direction that the Minister for Tertiary Education, Skills and Employment introduced to improve transparency in setting the fees and accountability for their use.

All Tertiary education organisations that charge a compulsory student service fee must comply with the provisions of the Ministerial Direction. The following information will help tertiary education organisations to meet these requirements.

The Ministry of Education regularly reviews the compulsory student service fees framework to make sure it is fit for purpose. The most recent review looked at compliance across the sector, the transparency of decision-making and how the revenue is used. More information about the results of the review is at the back of this brochure.

## Students form part of the decision making process

Tertiary education organisations must include students or their representatives when deciding on the:

- » maximum fee that students will pay
- » types of services to be delivered (see Specified Categories)
- » procurement of these services
- » method for authorising expenditure on these services.

It is recommended that tertiary education organisations review their decision-making processes to ensure they are following the Ministerial Direction in this area.

Examples of good practice:

- » Establish a committee with student representation that has advisory or decision-making powers over how levies are set, the services to be delivered, and how these services should be purchased.
- » Make information available to students on how the levies are being used and how these services are performing against set objectives.
- » Seek regular feedback from students on the quality of services.

## Accounting for the fees

Tertiary education organisations charging a compulsory student service fee must either:

- » hold the fees in a separate bank account, or
- » ensure all income and expenditure associated with these services are separately accounted for in the accounting system.

# Report fees in annual reports and in letters to students

**Tertiary Education Institutions** (TEIs) must report on compulsory student services fees in annual reports.

Registered **Private Training Establishments** (PTEs) must produce a written report on compulsory student service fees for their students and provide a copy to the Ministry of Education. Email this to tertiary.strategy@education.govt.nz each year.

## The report must include:

- » a **description** of all student services funded by the compulsory student service fee
- » a **statement** of the fee income and expenditure for each type of student service provided
- » the **compulsory student services fee levy charged** per Equivalent Full Time Student (EFTS), and
- » a **note stating how they are complying** with the accounting requirements of the Ministerial Direction.

## Specified categories

**Compulsory student services fees may be used to support the provision of the following student services:**

### Advocacy and legal advice

Advocating on behalf of individual students and groups of students, and providing independent support to resolve problems. This includes advocacy and legal advice relating to accommodation.

### Careers information, advice and guidance

Supporting students' transition into post-study employment.

### Counselling services

Providing non-academic counselling and pastoral care, such as chaplains.

### Employment information

Providing information about employment opportunities for students while they are studying.

### Financial support and advice

Providing hardship assistance and advice to students on financial issues.

### Health services

Providing health care and related welfare services.

### Media

Supporting the production and dissemination of information by students to students, including newspapers, radio, television and internet-based media.

### Childcare services

Providing affordable childcare services while parents are studying.

### Clubs and societies

Supporting student clubs and societies, including the provision of administrative support and facilities for clubs and societies.

### Sports, recreation and cultural activities

Providing sports, recreation and cultural activities for students.

*Enhance transparency and accountability by including on your website:*

✓ **Compulsory student service fee information, including the amount charged and the services this funds**

✓ **Opportunities for students to be involved with the decision-making process**





**Registered  
Private Training  
Establishments  
charging a  
Compulsory  
Student Service  
Fee must send  
the Ministry of  
Education a copy  
of the report  
they provide  
to students:**

Student Services Fees  
Submissions  
Tertiary Education Policy  
Ministry of Education  
PO Box 1666  
Wellington 6140

tertiary.strategy  
@education.govt.nz

## The Ministry of Education's most recent review

In 2015, the Ministry of Education reviewed the compulsory student services fees framework to see if the 2011 legislation changes and the resulting Ministerial Direction have had the intended effect: ensuring transparency in the setting of fees and accountability for their use. Tertiary staff and students were asked to give feedback.



### Positive outcomes

The review found that the changes made to the legislation:

- » stabilised compulsory student services fees at around 4% a year at universities compared to large fee increases in previous years
- » improved transparency across the sector
- » improved year-on-year compliance with reporting requirements across the sector.



### Areas that can be improved

Not all tertiary education organisations fully or correctly implemented the provisions of the Ministerial Direction. In these instances the review found that:

- » too few students were involved in the decision making process while most students surveyed were unaware that they could be involved
- » low compliance in reporting requirements among institutes of technology and polytechnics, and private training establishments
- » students were incorrectly charged or charged additional levies for student services by some tertiary education organisations.

**Tertiary  
Education  
Commission**

Te Amorangi  
Mātauranga Matua



For information and advice on complying with the compulsory student services fees Ministerial Direction, please contact:

**governance@tec.govt.nz**