

Power to Act: Student Services Fees

2. On 13 December 2010, Cabinet agreed to introduce a new framework for student services fees to provide greater transparency and accountability for how tertiary education providers resource and provide core pastoral care services (CAB Min (10) 45/6). In particular, Cabinet agreed that the Minister for Tertiary Education would be able to:

- specify conditions that set the limits on the type and amount of all compulsory fees that may be charged by providers; and
- make directions requiring that providers involve students in all decisions related to student services fees, require revenue from student services fees be held in a separate account, and require annual reporting of expenditure on student services.

3. Cabinet authorised the Minister for Tertiary Education to make decisions on the details of the changes relating to student services fees, without further reference to Cabinet, subject to those details being consistent with the policy intent set out in the Cabinet Paper (CAB Min (10) 45/6). Subsequently, I have made further decisions on the detail of these changes. I am now reporting back on the decisions I have made.

4. I have decided to change the process for how the Minister for Tertiary Education sets limits on student services fees. It is not necessary for the Minister to be able to set a general limit on the amounts that providers may charge as fees for student services. However, the Minister should still have the power to set the framework for student services fees by making directions to providers on:

- how they hold fees (for example, in a separate account);
- establishing adequate arrangements with students for making decisions; and
- publishing information on student services in annual reports.

5. Where the Minister is not satisfied that a provider has complied with any directions issued, he or she may then set specific maximum limits on the type and amount of student services fees that the provider may charge. The power to set maximum limits on the type and amount of student services fees is significant in terms of its potential impact on the provider. It is necessary therefore to limit its application specifically to situations where it can be clearly demonstrated that a provider is not complying with the Minister's directions.