



## FINANCE COMMITTEE PAPER

TO	Members of the Finance Committee
FROM	Dr Logan Bannister – Deputy Vice-Chancellor (Students)
AUTHOR	Stephanie Hunter – Associate Director Student Operations, on behalf of the Advisory Committee on the Student Services Fee (ACSSF)
DATE	14 August 2024
SUBJECT	<b>2025 Student Services Fee paper</b>
DOCUMENT #	FC 24/21

### Executive Summary

The attached paper contains the recommendations to update the 2025 Student Services Fees, together with the supporting rationale. The recommendations cover:

- Student Services Fee and Student Hardship Fee for all students

The recommended fee increases will be included in the 2025 Budget.

### Recommendations:

That Finance Committee recommend to Council that it **approve**:

1. an 8% increase to the Student Service Fee price per point for 2025 (refer page 8);
2. the Student Hardship Fee for 2025 to increase from \$30 to \$32

That Finance Committee recommend to Council that it **note**:

3. Concerns raised and risks highlighted by ACSSF with regards to the impact on the capability for SSF services to continue to be delivered due to pressure of increased occupancy costs year on year.



# 2025 Student Services Fee Recommendation Paper

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## 1.0 Student Services Fee Background

The Student Services Fee (SSF) and a separate Student Hardship Fee, which contributes to the Hardship Fund, are paid by all enrolled students. These are compulsory fees charged in addition to student tuition fees and help fund non-academic student services (refer to Appendix 1) that contribute to retention and a positive student experience. The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021 requires the provision of student services that support the wellbeing and safety of our student community. Many of these support services are either completely or partly funded through the SSF.

### Legislative Environment

Student services fees are regulated through funding determinations and are subject to the funding conditions administered by the Tertiary Education Commission (TEC). These conditions outline the rules that TEOs must follow when receiving TEC funding. The SSF funding conditions ensure that providers are transparent when setting the fees and accountable to students for their use. They include:

- (1) All money collected through the SSF must only be used to fund non-academic student services that fit within the specified Ministerial categories listed in Table 1. Appendix 1 lists the Victoria University Student Services that sit under each category.

**Table 1: Ministerial Categories for Fee funded services**

<b>Advocacy and legal advice</b>	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.
<b>Careers information, advice and guidance</b>	Supporting students' transition into post-study employment.
<b>Counselling services and pastoral care</b>	Providing non-academic counselling and pastoral care, such as chaplains.
<b>Employment information</b>	Providing information about employment opportunities for students while they are studying.
<b>Financial support and advice</b>	Providing hardship assistance and advice to students on financial issues. Includes the Hardship Fund.
<b>Health services</b>	Providing health care and related welfare services.
<b>Media</b>	Supporting the production and dissemination of information by students to students, including newspapers, radio, television and internet-based media.
<b>Childcare services</b>	Providing affordable childcare services while parents are studying.
<b>Clubs and societies</b>	Supporting student clubs and societies, including through the provision of administrative support and facilities for clubs and societies.

SSF income significantly contributes to the operational budgets of some services, e.g. Mauri Ora–Health and Counselling, Te Amaru–Disability Services, Te Ratonga Rapu Mahi–Careers and Employment, and University Recreation, and contributes a smaller proportion to the budgets of other services, e.g. University Kids, Āwhina, and Pasifika Student Success. The University also has a funding arrangement with VUWSA through a provision of Services Contract for additional services (this includes student media, class reps and an independent advocacy service) that are paid for by the SSF through this third-party contract. SSF allocation also contributes funding to other student associations and representative groups, such as Ngāi Tauira and Student Assembly.

Most of the services that receive a contribution to income from the SSF are free to students, and some are available at heavily subsidised rates. Alternative external revenue, e.g. government grants and Te Whatu Ora health sector contracts, also contribute to the delivery of some of these services.

(2) The University is required to consult with students in setting these compulsory fees. At our University, we work in partnership through an Advisory Committee on the Student Services Fee (ACSSF), an oversight advisory group made up of staff and student representatives which typically meets monthly. The student representatives are from VUWSA and Ngāi Tauira who, via the Student Assembly, consult with the student body on any changes to the SSF. The Student Assembly is a forum led by students for students and includes a diverse range of student communities. It provides a platform for students to receive the relevant SSF information and have an opportunity to shape the rate of the SSF and how the money raised is spent.

(3) All reporting and financial analysis of the SSF reflects the categories in Table 1, noting that the University also allocates an appropriate portion of the overhead costs that support delivery of the services. Any surplus or shortfall at the end of each year is ‘ring fenced’ and carried forward to the next year. In accordance with a recommendation approved by Te Hiwa at their 16 July 2024 meeting, the carried forward deficit at the end of FY24 has been re-set to nil (from an estimated carried forward deficit of \$3.2m).

## 2.0 Student Services Fee Overview

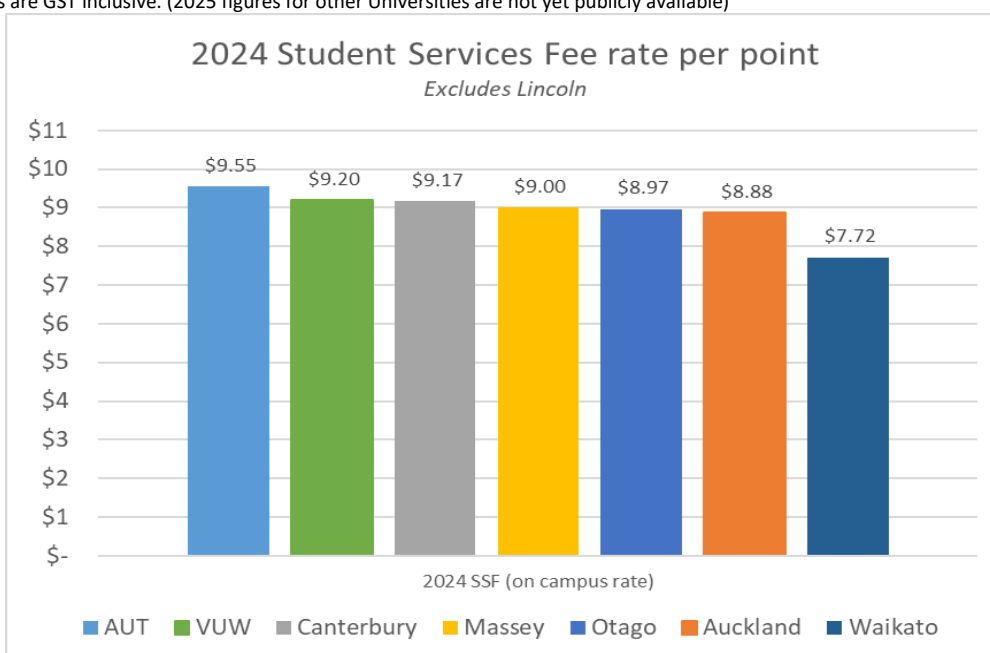
### 2.1 Charging structure for students

The SSF is charged per point, with a lower rate for students studying by distance (outside of the Wellington region). The charge is capped at 150 points per academic year. Table 3 shows a comparison of the other New Zealand University 2024 charges. Table 4 compares the percentage price increase across universities during 2023 and 2024.

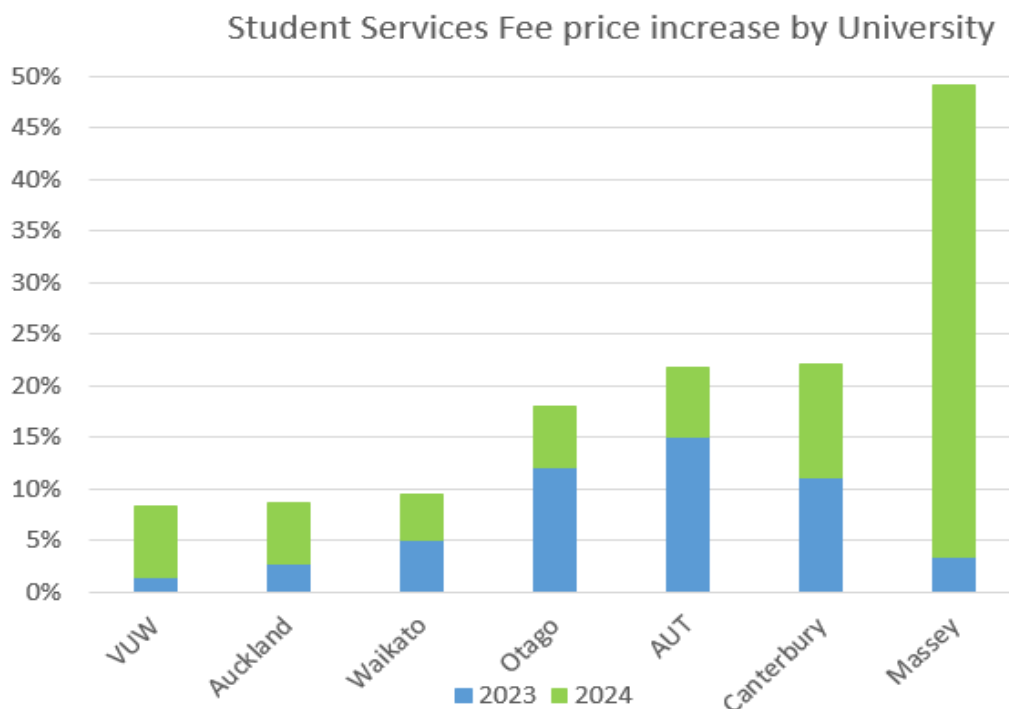
**Table 3: Comparison of other New Zealand Universities 2024 compulsory non-tuition fees for students studying on campus**

Note the figures below for VUW do not include the \$30 (GST inclusive) students pay as a contribution to the University’s Hardship Fund, in addition to the SSF. Based on 120 points, this equates to an additional 0.25cents per point.

All \$ figures are GST inclusive. (2025 figures for other Universities are not yet publicly available)

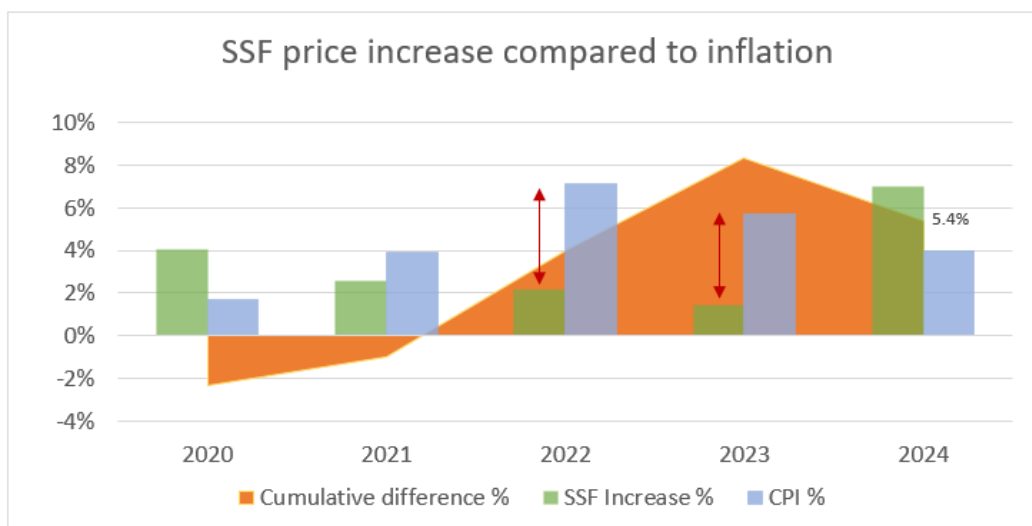


**Table 4: Comparison of other New Zealand Universities 2024 percentage price increase**



Since 2020, SSF price increases at Victoria University of Wellington have ranged from 1.4% to 7% (green bars in Table 5 below). Occasionally, this met CPI (blue bars below). In other years, it did not. In 2022 and 2023, there were significant gaps (5% and 4% respectively) between the SSF price increase and inflation.

**Table 5: Victoria University SSF price increase 2020 – 2024 compared to inflation**



In summary, the SSF annual price increases have not kept up with inflation in costs - in total, since 2020, the SSF price increases have been 5.4% lower than inflation.

## 2.2 Student Voice – 2025 Student Services Fee consultation

The Advisory Committee (ACSSF) met in May and June to discuss options for student consultation and agree an approach for the recommendation for the 2025 Student Service Fee. The VUWSA and Ngāi Tahu ACSSF student committee members advised their preference was to consult with the Student Assembly rather than general student population through a full survey. Results from the 2023 Student Voice-Have Your Say were also used to inform the recommendations. This survey ran in Trimester 2 between 31 July 2023 – 20 August 2023 and included questions about awareness, use, and satisfaction of SSF funded services. It had a 23.7% response rate.

On 30 May 2024, ACSSF considered and approved an Executive members remuneration proposal presented by the Ngāi Tahu student committee members. All Committee members were supportive of the proposal to increase the Ngāi Tahu student service fee funding by \$117,000 (to align with VUWSA Executive base funding) from 2025 to fund the ongoing salaried roles as outlined in the proposal. They agreed that the recommendation(s) for the 2025 SSF price change needed to include this increased payment to Ngāi Tahu. This funding through the SSF would replace the ‘scholarship’ paid annually from the Office of the Vice-Chancellor and DVC, Māori during recent years.

On 20 June, Finance presented ACSSF with the options below for 4%, 6%, 8.08%, 8.88% and 11% increase, outlining that 8.08% will be the breakeven point (8.88% with the Ngāi Tahu increase to funding is included). For clarity, the table has subsequently been updated with an 8% increase option and the re-set of the carried forward deficit at the end of FY24 to \$0, which was approved at the 16 July 2024 Te Hiwa meeting.

**Table 6: Forecast Student Service Fee income and expenses for 2025 and price per point**

	Current inflation		OPTION RECOMMENDED BY ACSSF	Scenario to breakeven	Option to breakeven for 2025 incl. Ngai Tahu proposal approved by ACSSF.	
Comparison of SSF scenarios	Option 1	Option 2	Option 3a	Option 3b	Option 3c	Option 4
SSF price increase	4.00%	6.00%	8.00%	8.08%	8.88%	11.00%
SSF on-campus rate per point (incl. GST)	9.57	9.75	9.94	9.94	10.02	10.21
SSF Annual Price for 120 points (Full time student) (incl. GST)	1,148	1,170	1,193	1,193	1,202	1,225
<b>Increase in price compared to 2024 (incl. GST)</b>	<b>44</b>	<b>66</b>	<b>89</b>	<b>89</b>	<b>98</b>	<b>121</b>
Additional SSF Revenue, compared to nil increase (excl. GST)	589,554	884,331	1,179,108	1,191,464	1,308,464	1,621,273
SSF Scenarios - FY25	Option 1	Option 2	Option 3a	Option 3b	Option 3c	Option 4
P&L (excl. GST)						
Student Services Fee	15,328,402	15,623,179	15,917,956	15,930,312	16,047,312	16,360,121
Other Income	4,063,176	4,063,176	4,063,176	4,063,176	4,063,176	4,063,176
<b>Total Income</b>	<b>19,391,578</b>	<b>19,686,355</b>	<b>19,981,132</b>	<b>19,993,488</b>	<b>20,110,488</b>	<b>20,423,298</b>
Total Costs	19,993,488	19,993,488	20,110,488	19,993,488	20,110,488	19,993,488
<b>2025 Net Surplus/(Deficit)</b>	<b>(601,910)</b>	<b>(307,133)</b>	<b>(129,356)</b>	<b>-</b>	<b>-</b>	<b>429,809</b>
Carried forward balance	Option 1	Option 2	Option 3a	Option 3b	Option 3c	Option 4
Carried forward balance as at 31 December 2024	-	-	-	-	-	-
Financial Year 2025 Net Deficit (per above)	(601,910)	(307,133)	(129,356)	-	-	429,809
<b>Carried forward Net Surplus/(Deficit), as at 31 Dec 2025</b>	<b>(601,910)</b>	<b>(307,133)</b>	<b>(129,356)</b>	<b>-</b>	<b>-</b>	<b>429,809</b>

The key assumptions in the scenarios above are:

- 2.7% increase in people costs.
- 4.9% increase in Occupancy (driven by an estimated 15% insurance cost increase and 3% increase in remaining areas for occupancy charge-out rate).
- 3% increase in commercial revenue; government grants and other income.
- Nil included for additional services (except \$117k for Ngāi Tahu).
- 16,250 – a 2.5% increase from 2024 full year EFTS of 15,848 (per T1 census)

- 3.6% of total points estimated to be capped at 150 points.
- 96.1% of total points estimated to be studying in Wellington.

Discussion centred around the challenges with a price increase for students without a direct relationship to increase in services offered or investment in upgrading facilities directly funded by the SSF. The preference was for as low a percentage as possible, ensuring, we have a sustainable model for the future. Staff and student committee member agreement was reached that the SSF needs to be increased at a level to achieve as best possible a breakeven position for 2025 to sustain the current level of services provided, and give an opportunity for reinvestment as EFTS grow.

ACSSF members agreed that a huge risk remains with regards the pressure the fixed occupancy costs put on the SSF. Increased occupancy costs year-on-year will impact the capability for services to continue to deliver.

### 2.3 Price increase for 2025

All members of ACSSF who attended the June meeting, voted and agreed to the following recommendation for the 2025 SSF:

- An 8% increase to the SSF (\$9.94 per point; \$4.97 per point for students studying outside of the Wellington region);
- This includes additional ongoing funding of \$117,000 for salaried Ngāi Tauira Executive roles; and
- A reduction of the SSF allocation for occupancy charges.

**Te Hiwa considered and endorsed these recommendations at their meeting on Tuesday 6 August 2024.**

### 2.4 Student Hardship Fee

The Student Hardship Fee is also paid by all students. This Fee is charged separately to the SSF and contributes to the 'Hardship Fund' that was established in 1991. All monies collected is directly distributed to students experiencing financial difficulty e.g., unforeseen flatting problems, unexpected job loss who would otherwise be unable to continue their studies.

Given the current cost of living pressures, all members attending the Committee meeting agreed to increase the Hardship Fee for 2025 from \$30 per student to \$32.



### 3.0 Recommendations:

**That Finance Committee recommend to Council that it approve:**

1. an 8% increase to the Student Service Fee price per point for 2025 (refer page 8);
2. the Student Hardship Fee for 2025 to increase from \$30 to \$32.

**That Finance Committee recommend to Council that it note:**

3. concerns raised and risks highlighted by ACSSF with regards to the impact on the capability for SSF services to continue to be delivered due to pressure of increased occupancy costs year on year.

**All staff and student members of ACSSF are supportive of the recommendations and Te Hiwa have endorsed this recommendation.**

All approved fees will be published in the 2025 Fees Schedule.

**Table 7: SSF per-point price 8% increase**

Student type	2025 FEE PER-POINT (GST INCLUSIVE)	FEE FOR 120 POINTS
Studying from within the Wellington region (on-campus or online)	\$9.94 (cap 150 points)	\$1,192.80
Studying fully online, residing in NZ but outside the Wellington region or residing outside NZ	\$4.97 (cap 150 points)	\$596.40

## Appendix 1 – Services supported by the SSF

### Advocacy and legal advice

- Our [Tauria—Student Interest and Conflict Resolution team](#) offers support for students when making complaints, appealing academic decisions, or resolving pastoral or accommodation issues.
- The Fee pays VUWSA to deliver an [independent advocacy service](#) to help students with academic or personal problems. VUWSA also offers training and support for [class representatives](#) and Faculty delegates.
- The Fee also supports and funds student representation and activities by [Ngāi Taurira](#), [Postgraduate Students' Association \(PGSA\)](#) and [Pasifika Students' Council](#).

### Health services, counselling, and pastoral care

- Our [Mauri Ora—Student Health and Counselling](#) service provides primary medical care, health education, and counselling services for students.
- Our [Manawa Ora—Student Wellbeing](#) team promotes wellbeing, and provides guidance on staying connected, resources, and workshops. The Fee also funds a Rainbow and Inclusion Adviser and a Refugee-background Student Adviser.
- Our [Te Amaru—Disability Services](#) assists students with temporary and ongoing impairments, so that they can fully engage and achieve in their studies.
- Our [Āwhina—Māori student support](#) team offers specialised support and connections for our Māori taurira.
- Our [Pasifika Student Success](#) team provides our Pasifika students with tools and support services.
- The Fee also funds welfare services such as VUWSA's [community pantry delivery](#).

### Career and employment guidance

- [Te Ratonga Rapu Mahi—Careers and Employment](#) connects students with employers, provides careers advice, runs career expos, and helps with CVs and job applications.
- The Careers and Employment team also delivers two programmes. The [Wellington Plus Programme](#) connects students with volunteering and leadership opportunities. The [Alumni as Mentors programme](#) connects final year students with alumni who can help them transition into employment.

### Financial support and advice

- Our [Student Finance](#) team helps students with budgeting, StudyLink issues, and provides financial mentoring and advice.
- The Student Finance team also administers the [Hardship Fund](#)—an emergency fund to help students facing financial difficulties.

### Clubs, societies, sports, recreation, fitness, wellbeing and cultural activities

- The Fee helps support more than [130 political, cultural, sports, faith-based, and academic clubs and societies on campus](#). Clubs use facilities including the Hub, the Recreation Centre activity spaces, and meeting rooms across three University campuses.
- [University Recreation](#) offers an extensive range of fitness services, group exercise classes, and wellbeing initiatives. Students can use fitness spaces and facilities at Kelburn and Pipitea—these facilities can either be used for free or hired by members. Our Kelburn facility also includes a newly renovated functional training room and private amenities suitable for gender diverse people.
- [Sports at University Recreation](#) vary from casual to competitive. We offer on-campus social sports leagues, casual and 'just play' sessions, participation in tertiary sports tournaments (through University and Tertiary Sport New Zealand), and scholarships that support athletes.
- The Fee contributes to the costs of delivering O-week events run by VUWSA

### Student media

- The Fee funds [Salient](#), a weekly magazine produced entirely by students. It is published and circulated by VUWSA.

### Childcare services

- The [University Kids Wellington early childhood education service](#) provides up to 77 full-time equivalent places for the children of our students.