



## **The Reduction of HECS Debt through Community Service**

### **Comment on the Initiative Proposed at the 2020 Summit**

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Authorised By:  
Cary Pedicini  
Chief Executive Officer  
Volunteering Australia  
Suite 2, Level 3  
11 Queens Road  
MELBOURNE VIC 3004  
P: (03) 9820 4100  
F: (03) 9820 1206

[www.volunteeringaustralia.org](http://www.volunteeringaustralia.org)  
[cary.pedicini@volunteeringaustralia.org](mailto:cary.pedicini@volunteeringaustralia.org)

## Introduction

Volunteering Australia commends innovative thinking relating to the encouragement and strengthening of volunteering in Australia. In this context, Volunteering Australia welcomes the opportunity to provide feedback to Government on one of the “top ideas” articulated by the Productivity Agenda stream at the 2020 Summit, namely “community corps: allow community service to reduce a person’s HELP debt.”<sup>1</sup>

The scope of this submission is confined to comment as it relates to Volunteering Australia’s expertise and experience. Volunteering Australia is the national peak body for volunteering in the Australian community. We represent the diverse views, and serve the needs of, volunteers and volunteer involving organisations and we promote volunteering as an activity of enduring social, cultural, and economic value. This submission does not extend to, or address the necessary considerations in the administrative design or economic implications of a scheme to support the initiative.

## Definition of Volunteering

Volunteering Australia’s foundation documents<sup>2</sup> provide a clear definition of volunteering that is widely accepted in Australia:

Formal volunteering is an activity which takes place in not for profit organisations or projects and is undertaken:

- To be of benefit to the community;
- Of the volunteer’s own free will and without coercion;
- For no financial payment; and;
- In designated volunteer positions only.

Where an initiative is not consistent with this definition, Volunteering Australia does not support it as volunteering, however we acknowledge that there are many other ways to engage and support communities which include informal volunteering, giving, caring, social activism etc.

It is uncertain at this stage whether a proposed scheme of “allowing community service to reduce a person’s HELP debt” would be “of the volunteer’s own free will and without coercion”. Macquarie University’s Global Futures Program that will require students to compulsorily volunteer as part of their degree from 2010<sup>3</sup> is a scheme that Volunteering Australia does not consider falls within the accepted definition and principles of formal volunteering.

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<sup>1</sup> Australia 2020 Summit – Final Report, Productivity Agenda: Education, Skills, Training, Science and Innovation pg 11.

<sup>2</sup> National Standards for Involving Volunteers in Not-for-Profit Organisations, Volunteering Australia, 2001.

<sup>3</sup> Media Release, “Macquarie University and AVI announce unique global community service program”, 16 June 2008

Additionally, offsetting or reducing student debt through volunteering could be construed as financial payment for volunteering, which again is not consistent with the definition.

Volunteering Australia supports an initiative of encouragement and choice, without compulsion and with the benefits to individual participants not being likened to payments.

It is the view of Volunteering Australia that the initiative as it has been articulated does not fit with the accepted definition of volunteering and as such Volunteering Australia does not recommend that a proposed scheme be considered as volunteering.

### **Reducing Debt Through “Community Investment”**

Volunteering Australia believes that the initiative could be reframed as a “community investment” scheme – the Higher Education Community Investment Scheme (HECIS) - the reallocation of (student) debt to the not for profit sector in the form of time, commitment, skills and expertise.

In developing the HECIS scheme of “community investment” Volunteering Australia recognises that it would benefit volunteering in general, as research suggests exposure to active community participation in youth and through family involvement increases participation in adult life.

### **Young People and Volunteering**

There are more than five million active volunteers in Australia over the age of 18. They represent around 34% of the adult population and between them provide approximately 713 million volunteer hours per annum<sup>4</sup>.

ABS statistics tell us that approximately 30% of people aged between 18-24<sup>5</sup> (almost on par with the total participation rate of all adults) are already involved in volunteering, each contributing an average of 104 hours annually. This existing high rate of participation amongst the age group which is most likely to be in higher education (and potentially utilise HECS) could be attributed to access and exposure to volunteering through university and home life.

Most universities across Australia have established volunteer programs that are often well integrated into standard and elective curricula, offering volunteer opportunities as part of campus activity as well as in the broader community.

There are numerous studies<sup>6</sup> that suggest family influence can increase participation in volunteering. Parental and/or family volunteering is often linked to young people

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<sup>4</sup> Voluntary Work, Australia, 4441.0, Australian Bureau of Statistics, 2006

<sup>5</sup> Ibid.

<sup>6</sup> Engaging Youth in Lifelong Service, Independent Sector, US 2002; Canadians Caring, Canadians Involved, 2004 Catalogue No 71-542-XIE; Engaging students through authentic research experiences,

sustaining their volunteering in adulthood. Additionally, young people who volunteer, or who are engaged in other forms of community service, can have a motivational impact on parents volunteering.

As already stated, Volunteering Australia supports initiatives that encourage positive experiences and opportunities for young people resulting in future and sustained volunteering. However, Volunteering Australia favours a scheme of “community investment” that would provide potential future benefits for volunteering through the encouragement of positive community experiences.

### **Potential Student Burden**

Any proposed scheme should consider potential additional burden on students' time. It is reported by students that the constraints of time due to study requirements and the financial necessity of working often leaves little time for other areas of their life. According to the National Union of Students *“the average uni student struggles to balance part-time employment with study commitments in order to cover basic living costs. There simply is not much free time on top of this to commit to do volunteer work.”*<sup>7</sup>

Another consideration relates to the costs of volunteering. It is often overlooked that volunteers incur costs relating to the volunteer roles they choose. Volunteering Australia research<sup>8</sup> into the costs of volunteering found that almost all volunteers incur expenses that are not reimbursed and these costs are not insignificant over the course of a year, dependent upon intensity and frequency of volunteering (\$600 per annum averaged across all volunteers, but can be as high as \$1200 in sectors such as sport and recreation and emergency services).

It is therefore recommended by Volunteering Australia that a proposed scheme of community investment should not commence until after students have completed their study and have commenced repayment of their debt, as is current practice under HECS.

### **Infrastructure Needs**

The supply of willing participants to a “community corps” to support the not for profit sector and community need is only one side of a complex equation. There is need to consider the practical implementation of such a scheme and the impact on under-resourced community organisations.

Volunteering Australia's *National Survey of Volunteering Issues 2008* again highlighted the infrastructure challenges experienced by organisations in involving

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Ashley Edwards, Susan M. Jones, Erik Wapstra and Alastair M. M. Richardson, School of Zoology, University of Tasmania, Australia 2007; Pathways to Voluntarism: Family Socialization and Status Transmission Models, Janoski & Wilson, Duke University, 1995.

<sup>7</sup> Angus McFarland, President National Union of Students, NUS website, 6 May 2008.

<sup>8</sup> The Real Costs of Volunteering, Volunteering Australia, 2007

volunteers<sup>9</sup>. Not having enough resources (funding and time) to provide necessary training, skill development and ongoing support is often cited by some managers of volunteers in not for profit organisations as a burden to successful and rewarding engagement of volunteers. Additionally, the costs of administration associated with legislative compliance and procedural requirements eg: occupational health and safety, background checking, insurance, record keeping, reporting to funding bodies etc create stress across the sector.

Any proposed scheme would require the acknowledgement of the costs associated with, and additional funding for, not for profit organisations engaging and managing participants of a “community corps”.

Importantly, recognition by Government that the existing national, state and regional structure of volunteer organisations is well placed to advise and support a scheme of “community investment”. The establishment of a parallel infrastructure to manage a community investment scheme would be seen by the voluntary sector as a duplication of resources and a potential drain on funding. Volunteering Australia therefore recommends that Government investigates the benefits of boosting support to the existing volunteer infrastructure to manage the administration of such a scheme.

## **Beyond HECS**

In a climate of increasing cost pressures for individuals and families as they strive to work and study, Volunteering Australia could envisage a situation where other participants in post secondary education might seek an opportunity to reduce costs and potential debt associated with study, for example in the TAFE sector. In designing such a scheme of community service to reduce debt, consideration must be given to the flow on to other sectors and how narrowly or broadly a scheme should be applied.

## **Recommendations**

In considering the development and application of a scheme to reduce student HECS debts, Volunteering Australia offers the following recommendations to Government:

- Consider the accepted definitions of volunteering;
- Reframe the initiative as “community investment” – Higher Education Community Investment Scheme (HECIS);
- Clarify whether the primary objective is increasing participation by young people or reduction of student debt.

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<sup>9</sup>Barriers to Involving Volunteers, National Survey of Volunteering Issues, Volunteering Australia 2008

- Encourage participation in the scheme at the conclusion of study to avoid additional burden on students during their study time;
- Clarify whether a proposed scheme would include existing contribution being made by many students as eligible HECS reduction given the current high participation rate in volunteering by people aged 18-24;
- Address the issue of costs incurred by individuals participating in community service;
- Ensure that community activities offered as community service are mutually beneficial - to community organisations and students - and not simply a means to pay off HECS debt;
- Address sector infrastructure costs and needs to avoid additional burden on under resourced community organisations;
- Support and enhance existing volunteering infrastructure of national, state and regional organisations thus avoiding duplication of resources in the creation of parallel infrastructure;
- Define the scope to ensure equity across other areas of post-secondary study where costs and debt may be prohibitive.

## **Conclusion**

Volunteering Australia commends initiatives that increase opportunities for more people to engage with communities in the ways that they choose. Whilst it should not be viewed as volunteering, a scheme of “community investment” for students to reduce their HECS debt is one way to encourage greater engagement and create pathways to sustained volunteering that offers potential benefits to individuals, volunteer involving organisations and communities in general.