

Inquiry into Higher Education Legislation Amendment (Student
Services and Amenities, and Other Measures) Bill 2009

Submission
from

Flinders Campus Community Services (Flinders One)
Student Representative Council

Flinders University of South Australia

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Summary

The Higher Education (Abolition of Compulsory Up-front Student Union Fees) Bill was passed with the expectation that market forces would produce self-sustaining student organisations which could continue to provide services valued and demanded by the student community. Unfortunately this has not occurred because:

- The removal of the Student Services and Amenities Fee has not produced self-sufficient student organisations. It is unlikely that any organisation will remain viable while providing quality student services and activities without funding assistance from Universities.
- Students have experienced a massive decrease in the quality and accessibility of student services, events and activities on campus. Remaining services, events and activities have been propped up by Universities with funding diverted away from academic areas.
- VSU has negatively impacted on the educational experience of students through a reduction in campus activities and culture, a reduction in the support services delivered to students, and the diversion of funding away from academic areas into student services.

We support this bill and recommend its passage through the Senate because:

- The introduction of this fee will help to restore non-academic services, activities and support to students.
- The opportunity to defer the fee under SA-HELP will mean this fee will not be a financial burden on students and will improve accessibility to essential services particularly to those who cannot afford them under a user-pays system on campus or in the general community.
- The bill allows flexibility over who can provide the services, allows a wide range of areas to be funded, and allows individual institutions to determine the services and activities provided.

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Background:

In 2005 the passage of the Higher Education (Abolition of Compulsory Up-front Student Union Fees) Bill removed the ability of universities to charge compulsory fees for non-academic purposes.

Proponents of this measure advocated the third party student organisations, which commonly received the compulsory fee and delivered the non-academic services, would become self-sustaining organisations operating off voluntary memberships, investments and trading operations while maintaining quality and accessible student services.

Preparation for VSU at Flinders University:

Prior to 2006 the students of Flinders University were serviced by six university recognised student organisations. Each organisation provided a range of student support services, cultural activities, commercial services, and student spaces. These organisations were predominately funded with approximately \$3 million collectively annually from the Student Services and Amenities Fee, and revenue received from the various subsidised commercial services operated by the organisations.

Faced with the need to become self-sustaining while absorbing a \$3 million decrease in revenue the six organisations initiated an extensive restructuring program, which included merging the six organisations into one organisation (Flinders Campus Community Services) to streamline administrative functions and achieve a more cost effective structure, and turning the subsidised commercial operations into profit generating businesses, which would fund the student services provided by the new organisation.

Outcome at Flinders University:

Despite the extensive restructuring efforts conducted by Flinders Campus Community Services (FCCS) and its predecessors, the organisation has been unable to reach self-sustainability while maintaining quality and accessible student services. The likelihood of the organisation achieving both short-term and long-term sustainability while maintaining student services is almost nonexistent without monetary and non-monetary assistance from the University.

The proponents of removing compulsory non-academic services fees did so with the expectation that market forces would produce self-sustaining student organisations which could continue to provide services valued and demanded by the student community. Unfortunately this has not occurred at Flinders University.

Short-term viability of FCCS:

In the 2008 financial year¹ FCCS achieved its first surplus of \$8,000. However this surplus has only been achieved through a substantial and necessary reduction in the funding and provision of student services and activities on campus, and substantial monetary and non-monetary operational assistance from the University. In 2008 this yearly operational assistance included:

- \$330,000 to fund advocacy staff
- \$50,000 to fund orientation activities (approximately)
- Provision of free rent, utilities and maintenance work on the sporting grounds (value is estimated at approximately \$1.1 million)

Without this assistance FCCS would have experienced a substantial loss in the 2008 financial year while students would have experienced a further reduction in student services provision and quality, and an increase in the cost of products and services provided by FCCS.

¹ FCCS financial year is January to December.

Long-term viability of FCCS:

In the current sector conditions FCCS will be unlikely to achieve long-term self-sustainability while providing student services without ongoing operational and infrastructure investment assistance from the University into the long-term future.

The trading conditions faced by FCCS on campus severely restrict the organisations ability to generate a sufficient surplus to fund its commercial operations and fund an adequate level of infrastructure investment (without taking into consideration the provision of student services). The following factors impact on the ability of FCCS to generate a sufficient surplus in its commercial operations:

- The customer base of the organisation is made up of a population consisting almost entirely of university students, who statistically have lower disposable incomes than the general population².
- The isolated location of the University means there is little opportunity to generate business with the general population.
- In light of the financial circumstances of most students every attempt is made to keep prices low. Our consumer base is extremely price sensitive so any attempt to increase prices to produce a healthier surplus would have a negative effect on the sales volumes, as our services become out-of-reach for more and more students. This scenario would stretch our fixed costs over fewer sales, which could make our financial situation worse, and further reduce our ability to fund our student services.

² Australian University Student Finance Survey 2006 - <http://www.universitiesaustralia.edu.au/content.asp?page=/publications/policy/survey/index.htm>

- Due to many factors including work commitments and the lack of campus activities, there is a growing trend of students spending less time on campus.
- Students mostly attend University for only 26 weeks of the year however FCCS is still required to pay its fixed costs over 52 weeks of the year.
- The organisation is required to incur the cost of maintaining student spaces that are used by both consumers and general students.

An adequate investment in capital infrastructure is essential to maintain and grow the organisations commercial assets that are used to generate the revenue. The inability to do this will jeopardise the organisations ability to maintain its current revenue streams into the future and prevent any opportunity to facilitate growth.

FCCS was fortunate to inherit some capital reserves from its predecessors however these have not been sufficient to stabilise the organisation. FCCS is reliant on monetary assistance from the University for Infrastructure Development as the organisation is unable to fund further investment. Since 2006 Flinders University has committed infrastructure investment in excess of \$4 million to FCCS in delivered and planned projects.

Effect on Student Services:

Students at Flinders University have experienced a massive decrease in the quality and accessibility of student services on campus. The effects on some of our key student service areas are:

Child Care:

Prior to 2006 Flinders University students had access to a quality and affordable childcare centre on campus designed for the needs of students. The service was provided on an hour-by-hour basis, which allowed parents to leave their child at the centre during their classes instead of an entire day or half-day period (as is the case in conventional centres). This structure also allowed the centre to service many more parents than a conventional centre. Unfortunately this centre was closed after VSU and Flinders University students have been left with only inflexible and expensive private childcare centres.

Employment Service:

Prior to 2006 the Employment Service was free for both students and employers placing the job advertisements, and provided students with much needed flexible employment opportunities and employment information. This service was turned into a user-pays service after VSU for both students and employers, which has reduced the accessibility of the service to students, and seen a sharp decline in the number of employers (particularly small businesses and individuals) placing job advertisements with the service. The seminars given to all new students joining the service on workplace rights and responsibilities were also cancelled.

CD & DVD Library:

The CD & DVD Library provided a free loaning service to students who paid a small joining fee prior to 2006. This service

provided students with a cheap entertainment option. After VSU retail fees were introduced and FCCS was unable to maintain the collection to the pre-VSU standards effecting both the accessibility and quality of the service.

Representation:

There has been a massive decline in the provision and quality of student representation. Prior to 2006 student representatives were provided with sufficient resources to carry out their roles, which included administration staff, research officers, policy officers, and adequate budget lines. Today funds spent on student representatives represent only six percent of the funds allocated prior to VSU (resulting in the loss of all support staff). This has had a devastating effect on the ability of student representatives to promote and defend student interests within the University and wider community.

Representation – Postgraduate and International Students:

Postgraduate and International Students are two groups who often need additional and specialised assistance during their studies. Prior to 2006 there was a Postgraduates Student Association and an International Students Association, which exists to services the needs of these two groups. Both of these associations were merged into FCCS. Unfortunately despite the best efforts of staff and students the lack of adequate funding has resulted in these two groups receiving little specialised assistance since 2006.

The accessibility of all existing student services has been further eroded by the lack of funding to adequately create awareness of the services in the student community. Many students do not currently access the services offered because they simply are not aware that

they exist.

Effect on campus activities and events:

Students at Flinders University have experienced a massive decline in the number and size of activities held on the campus. A majority of events now need to provide a return to cover their costs, which has put restrictions on the events and activities we can hold. Student's accessibility to campus events and activities has been reduced, as there are fewer events held and those that are often require students to purchase a ticket. This is further compounded by the organisations reliance on providing activities and events that utilise our bar areas to provide us with an avenue to cover the costs, which can discourage students (particularly international students) from participating.

The decline in events and activities has been compounded by the reduction in clubs and societies on campus. Prior to 2006 there were over 100 clubs and societies on campus, which has been reduced to approximately 40. FCCS has been unable to sufficiently fund clubs and societies, which has reduced their direct financial support and administrative support. The lack of support has hindered the establishment of new clubs and societies, and reduced the ability of existing clubs and societies to facilitate events for their members and general students.

Negative Effect on Students:

The outcome at Flinders University has negatively impacted students in the following ways:

- The current situation has resulted in reduced accessibility to support services, which provide much needed assistance to students during their studies. This can often have a negative impact on their experience and the education they receive.
- The reduction in campus activities and events has reduced opportunities to socialise, build support networks, and make friends on campus. The lack of campus life and activity is creating an inactive and disengaged student population both inside and outside the lecture theatres and tutorial rooms.
- The lack of effective student representation is resulting in decisions being made throughout the University, which do not take into consideration the needs and interests of students, and this is having an impact on both the academic and non-academic experiences of students.
- Funding intended for academic services is being redirected to provide non-academic services. This action, though necessary in the current situation, is reducing the amount of funding available to fund student's education in a system, which has long term under funding issues. This action is further deteriorating the quality of education delivered to Australian University students.

Comments on the Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009:

The expectation of VSU proponents that market forces would produce self-sustaining student organisations which could continue to provide services valued and demanded by the student community has not materialised.

Trading conditions unique to University campuses mean it is unlikely student organisations can generate sufficient surpluses from commercial operations to provide free student services. A user-pays system for these services does not work as students, who are most likely will need to use them are those who will not be able to afford the upfront fees. Students do not plan to use these services so it is unlikely they will have the money to pay the upfront fees as it is not a known cost and therefore not factored into budgets.

Since 2006 there has been a substantial reduction in the provision of student services on campus, and as a result there has been a substantial reduction in the non-academic support provided to students. Any move to address the failures of VSU is a step in the right direction.

We support this bill for the following reasons:

- The introduction of this fee will help to restore non-academic services and support to students.
- The opportunity to defer the fee under SA-HELP will mean this fee will not be a financial burden on students.
- The restoration of free non-academic support services and the option to defer the fee will improve accessibility to essential services particularly to those who cannot afford them under a user-pays system on campus or in the general community.
- The Student Service, Amenities, Representation and Advocacy

Guidelines will provide students with funded student representation and input the University system.

- The Student Service, Amenities, Representation and Advocacy Guidelines will provide students with access to health, welfare, advocacy, and orientation services on their campuses.
- The Student Services and Amenities Fee Guidelines allow the fee to be used to provide a wide range of services and activities on campus. All services and activities listed in these guidelines provide support to students and enhance their education experience and skill development.
- The Student Services and Amenities Fee Guidelines requires higher education providers to consult with students on the delivery of services, which is essential to ensure the services provided are demanded and valued by the student population.
- The Student Services and Amenities Fee Guidelines allow individual institutions to determine which services will be provided. This is important, as the services demanded by students will differ between individual institutions.
- The Student Services and Amenities Fee Guidelines allow higher education providers to negotiate the provision of these services by a third party. It is unnecessary to force higher education providers to deliver these services if the institution is willing to contract a third party to provide them. Particularly if there is a responsible organisation currently providing those services in a manner deemed fit by the University.
- The provision to restrict the fee being used to support a political party or candidate for election is a necessary restriction as the use of this fee

for these purposes would be a gross misuse of student money.

Recommendations

- The Senate approve this bill and restore student services, representation and activities.
- Any amendments do not inflict on the ability of student representatives to further the rights, interests and needs of students at their institution and in the wider community.
- The bill recognises the right of students to use this fee to fund advocacy and representation at a national level, either at the University or through affiliation to a national organisation, if deemed appropriate by the student body (through referendum) and the Higher Education Provider.