

28 October 2010

The Secretary
Senate Select Committee on the Scrutiny of New Taxes
PO Box 6100
Parliament House
CANBERRA ACT 2600

newtaxes@aph.gov.au

Dear Secretary

Griffith University wishes to make the attached submission to the Senate Select Committee on the Scrutiny of New Taxes, specifically in relation to a proposed student service fee.

The University questions the principle of a student services fee being equated with a “new tax”. With a few notable exceptions, taxes are rarely hypothecated to particular expenditures. Student services fees are levied for quite specific services and were never, as far as the University is aware, paid into the Consolidated Revenue Fund. Indeed, the reverse is the case, as fees were paid from Consolidated Revenue to tertiary education institutions on behalf of State and Commonwealth Government scholarship holders.

Universities are not representatives of Governments and are not the agents of Governments for the purposes of raising taxation revenue. Historically, student services fees have been levied by tertiary education institutions (not just Universities) to provide a wide variety of ancillary services accessible by the whole student body, in the same way that specific course fees are charged to pay for educational services to individuals. Whether individual students chose to access those ancillary services is beside the point, but most if not all students would at some stage during their enrolment use many of them. Only in this broad sense could a services charge be equated with a tax, as providing services at large regardless of whether all potential users use all the services.

Tertiary education institutions are empowered by a range of Commonwealth and State statutes to charge clients for services like any other entity operating in a commercial or semi-commercial environment. Private education providers with a majority of (or all) international students operate in precisely the same environment and have the right to charge for the full range of services they provide, but their fees are not confused with new taxes.

Thus there is some conceptual difficulty in responding directly to the terms of reference for the Inquiry, which we understand to be the same as for any revenue proposal by Government:

Reply to:

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- (a) new taxes proposed for Australia, including:
 - (i) the minerals resource rent tax and expanded petroleum resource rent tax,
 - (ii) a carbon tax, or any other mechanism to put a price on carbon, and
 - (iii) any other new taxes proposed by Government, including significant changes to existing tax arrangements;
- (b) the short and long term impact of those new taxes on the economy, industry, trade, jobs, investment, the cost of living, electricity prices and the Federation;
- (c) estimated revenue from those new taxes and any related spending commitments;
- (d) the likely effectiveness of these taxes and related policies in achieving their stated policy objectives;
- (e) any administrative implementation issues at a Commonwealth, state and territory level;
- (f) an international comparison of relevant taxation arrangements;
- (g) alternatives to any proposed new taxes, including direct action alternatives; and
- (h) any other related matter.

In this light, Griffith University's attached submission informs the Committee about the services that were provided at the University either free or paid for out of the original Student Services Fee before its prohibition under Voluntary Student Union (VSU) legislation in 2005; the impact of the prohibition; the quantifiable costs to the University arising from the prohibition; and the implications for student services and welfare in this University if the prohibition were to be rescinded.

Griffith University supports the intentions of the *Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010* as drafted. In particular, the University is strongly of the view that the fees should come to universities which would then determine expenditure consistent with the guidelines. The University also endorses the SA-HELP clauses of the Bill.

Yours sincerely

Ian O'Connor
Vice Chancellor and President

Senate Select Committee on the Scrutiny of New Taxes in relation to student service fees.

Background

Griffith University has five campuses in the 80 kilometre corridor from Brisbane CBD to the Gold Coast. Each campus has a unique academic profile and serves a specific student cohort. Overall, the University promotes a multi-disciplinary approach so that graduates have more rounded educational experiences and are better prepared for the professions they will enter. The University is growing rapidly and the five campuses currently enrol around 40,000 students; the largest single campus is on the Gold Coast and this campus will itself double enrolment numbers to 30,000 students within fifteen years. The University enrolls a large proportion of international students and these add diversity and richness to the student experience.

In the period leading to its foundation forty years ago the University was conceived as being of a different model to the older traditional institutions – multi-disciplinary, student-centred and focussed on contemporary issues of critical importance to Australia such as Asian studies. The enabling legislation (the *Griffith University Act 1998*) contains specific clauses establishing and recognising the role of the Student Representative Council as a body corporate. In the case of the Gold Coast campus, this entity is the Student Guild. Thus from the time of its foundation, the University has recognised the important role that student organisations play in the intellectual and social development of students and the governance of the University. The legislation provides that two of the five elected members of the University Council are students.

Either through the University administration or through student organisations, services are available to Griffith students in sports and recreation, culture, counselling services, career and employment information, travel, health services, a multi-faith centre, Indigenous student support, international student support, scholarships, unique outreach programs for school students in disadvantaged areas, chaplaincy, and disability services coordination. Access to these is generally free and/or subsidised by the University, though for some such as travel, normal market conditions will apply.

Comments from press sources indicate a view that student service fees may have gone towards supporting fringe political or trades union-like industrial activity. This is simply not true for the overwhelming bulk, or even any, of the services funded through the fees, without arguing whether such activity is desirable or not. In the experience of Griffith University, this view is based on a fundamental misconception of the role of Universities and student services. In any event there is clear historical and contemporary evidence that the airing of informed ideas and debate, including of unpopular or minority interests, is far more preferable than suppression for promoting a healthy and self-confident democracy, a vibrant economy and national security.

Impact of prohibition

The impact of the banning of student service fees in 2005 has been significant for the University in several ways. Since prohibition, the University estimates the foregone revenue from the Student Charge to be \$31.3 million. Looking forward, forty thousand students paying an average services fee of (say) \$250 each equates to ten million dollars annually which the University must find to continue providing the services on which students depend for engagement in campus intellectual, social and sporting life as well as for teaching and research assistance. The University strongly argues these not peripheral or unimportant but are central to the education of students and the functioning of the campus. Notwithstanding the University's commitment

to student welfare, that is money not then available for education or research, which is the University's primary mission.

At the time of prohibition Griffith had a number of organisations that provided services typically provided by a Guild/Union, including:

- The Gold Coast Student Guild which provided a range of services at the Gold Coast Campus
- Campus Life, Griffith University Student Representative Council (SRC) and Griffith University Post Graduate Association (GUPSA) all provided a range of services on the Brisbane and Logan Campuses.

Financial Assistance from the University

Griffith University faced a difficult challenge in ameliorating the impact of VSU due to the number of campuses with relatively small student numbers (Mt Gravatt, Logan, and South Bank. The latter has three separate locations - Queensland College of Art, Queensland Conservatorium of Music and the Film School). Where any service was to be retained there was a threshold cost of providing the service at these locations, and also a base level of expenditure to maintain any of the assets previously owned and operated by the student organisations.

In response to VSU the University provided \$750,000 in 2006 to assist the organisations to operate a range of services thus reducing the full impact. The university then allowed a further \$2.0 million annually to assist each organisation and some elements and academic organisations in providing a range of services. Many services were simply discontinued.

Impact on each of the Organisations providing Student Services

Each organisation reacted differently to VSU, determined by the level of retained earnings, ownership of revenue generating operations, limited ability to commercialise some services and decisions as to what activities could be subsidised.

Student Representative Council

The SRC and GUPSA were totally dependent on the Student Charge. The SRC made all staff redundant in early 2006 and closed the doors in late 2006.

Griffith University Postgraduate Association

GUPSA had a single employee made redundant in June 06.

Campus Life

Campus Life restructured its entire operation making 16 people redundant in 2006 and a further 5 in 2008.

Student Guild

The Student Guild made 2 staff redundant and then allowed natural attrition to reduce staffing levels to the bare minimum.

Services that were retained, discontinued or introduced by each of the Organisations in response to VSU

At the time each organisation determined the range of services it could afford to maintain to its student base. The University provided subsidies to both Campus Life and the Student Guild to maintain services where the cost could not be met by the organisation.

Although the University provides a significant contribution to these organisations it does not meet the real cost of providing these services when all costs are taken into consideration i.e. asset maintenance and operating costs.

Both Campus Life and the Student Guild have adopted business models and grown limited areas of their business to continue to provide services and amenities and subsidise those services that students say they require and/or the University requests be provided.

Gold Coast Student Guild - *Services retained*

- *accommodation*
 - international student airport pick up and initial accommodation
 - contact point for prospective landlords to provide accommodation opportunities for students
- *cultural/ student services*
 - Orientation Week activities (very limited service based on a volunteer incentive program)
 - special information days - Health Week, Harmony Day, Inspirations from All Nations, National Norwegian Day.
 - events and live entertainment (on a full cost recovery basis – previously subsidised)
 - advocacy - individual and collective representation of students
- *commercial services*
 - commercial tenants
 - licensed bar
 - function venue
 - health and fitness centre
 - group exercise room
- *employment services*
 - contact point for prospective employers to provide employment opportunities for students
 - extensive student tutoring database
- *facilities*
 - provision of meeting rooms for students
 - barbeque and outdoor social areas
- *publication services*
 - annual report
 - website
 - information posters and promotion of events
 - publication to promote and advertise the Student Guild
- *reception services (most services are delivered on a full user-pays basis – previously subsidised)*

including fax service, laminating, loans of sport equipment, international post packs, bike and personal lockers, Centrelink, 18+ cards, EFTPOS facilities, notice boards, insurance processing – student personal accident plan, microwave facilities, tax return advice and support, professional legal advice, and second hand textbooks

sporting and recreational services - subsidy for these services is provided by the University

- clubs and societies - administrative assistance only
- sporting clubs - administrative assistance only
- sporting facilities (eg. tennis courts, basketball courts, beach volleyball courts and associated maintenance)
- intramural and lunchtime sport (on a full user-pays basis – previously subsidised)
- sports officiating and coaching courses
- sporting insurance
- senior first aid courses
- recreational courses
- Sport training facilities subsidies
- Operating subsidies for clubs.

Student Guild - *Services/Activities that were Discontinued*

- *cultural/ student services*
 - annual cultural competitions and awards
 - movie nights
 - conferences and special events
 - independent advice on academic and administrative matters
 - annual Student Guild scholarships
 - professional counselling advice
 - administration, funding and support for Postgraduate Student Association (GCAP) including GCAP scholarships
 - equity textbook scheme
 - University equity grants
 - Editor in Residence
 - research methodologist
 - statistician
 - domestic and international conference grants
- *facilities*
 - social and meeting areas
 - Student Representative Offices
- *publication services*
 - free monthly student newspaper 'Getamungstit'
 - student diaries
 - wall planners
 - information brochures
- *reception services*
 - emergency loans, lost property, intercampus bus service, film processing and phone cards
- *sporting and recreational services*
 - financial support for clubs and societies
 - financial support for sporting clubs

- University Blues awards
- annual sporting awards
- help with supply of sporting uniforms and equipment
- intervarsity, state and national sporting events - organisation and funding
- funding, administration and coaching of university sporting teams for local competitions
- sport scholarships
- club management training program

Campus Life *Services/Activities retained*

- academic dress
- accommodation
 - residential colleges
 - international home stay and airport pickup
 - Off Campus (website only, previously escort service to show students a range of properties)
- child care services
 - Long day care (2 Centres)
 - school aged care
- commercial services
 - leasing of commercial space to tenants (eg post office, hairdresser, bookshop etc)
 - memorabilia on-line
- conference coordination
- cultural/student services
 - Activities and Events (market days, food days, film nights – limited range)
 - Orientation Week support - (cost now met by the University)
 - Open Day support
- food services
 - Nathan – Hub dining room, G’s wine bar, Nathan Express, The Common
 - Mt Gravatt – M28 (café), refectory
 - Logan – Brook Café, refectory (subsidised by the University)
 - South Bank – Red Note Café, QCA Café (subsidised by the University)
 - function catering
- Orientation Events and Activities publication services
 - website
 - student diaries (cost met by the University)
 - wall planners (cost met by the University)
- sporting and recreational services
 - Nathan and Mt Gravatt campus gymnasium (fee charging)
 - Logan campus workout room (subsidised by the University)
 - Clubs and Societies (activities subsidised by the University, NOT administrative costs, training etc)
 - AUS sport (local and national)
 - Hiring of sport facilities (fee charging)
- maintenance and operating cost of buildings and facilities (sporting facilities) – a subsidy is provided.

Campus Life - *Services/Activities that were Discontinued*

- child care
 - Family Day Care
- employment services
 - contribution to costs of Student Services Employment Officer
- food operations
 - Environment and Science Common Rooms
- reception services
 - no front office on the Logan & South Bank campuses
- sporting and recreational services
 - intervarsity, national and international sport
 - extensive activities and adventures program
 - campus-based sports and recreation events
 - Representative Sports Scholarships
 - University blues awards.

Campus Life - *Services/Activities that were introduced*

- Commercial Sports Program – To assist in meeting the cost of maintaining sports facilities Campus Life developed a commercial sports program. This program commenced with soccer but includes touch, basketball and netball. The program has generated a revenue stream.
- G's Wine Bar (Gold Coast Campus)
- Mt Gravatt Tennis Centre - Campus Life obtained \$3.352 million from the VSU transitional fund to assist in the construction of a 12 court Tennis Centre. Profits from the Centre subsidise other services on the Brisbane and Logan campuses.

Griffith University Student Representative Council (GUSRC)

The service and activities discontinued from 1 July 2006 were:

- free legal consultation
- academic advocacy and advice including academic appeals support
- representation of student interests within the University and the wider community
- crisis support including support for harassment and discrimination
- second hand textbook agency
- free student newspaper 'Gravity'
- free student diary
- cheap photocopying and faxing service
- financial assistance to students attending conferences
- funding of the Food Co-op, the International Students Association, and the Nunjar Bengar Students Association
- provision of a Queer safe place
- provision of a Women's Room
- Orientation Week activities

- running the Mt Gravatt Shop
- organisation of campus social and cultural activities

Advocacy services have been picked up by Student Services (a sub unit of University Administration), the cost being covered by the University.

Griffith University Postgraduate Student Association (GUPSA)

The service and activities discontinued from 1 July 2006 were:

- academic writing assistance including the Editor-in-Residence program
- statistical and research methods assistance
- Work-in-Progress conferences (providing students with the opportunity to practise upcoming professional presentations in the presence of their peers)
- quarterly newsletter (GradChat)
- Orientation Week activities
- representation of postgraduate interests to the University and government
- annual research bursaries
- assistance with grievance issues
- social functions

GUPSA's academic assistance previously provided by editor-in-residence, research methodologist in-residence and statistician-in-residence has been picked up by the Research Graduate School with costs met by the University to help ensure high quality technical standards are maintained.