



11 November 2010

The Committee Secretary  
Senate Select Committee on the Scrutiny of New Taxes

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Dear Committee Secretary

**Re: Inquiry into the Higher Education Amendment (Student Services and Amenities) Bill 2010**

AUS and ACUMA welcome the opportunity to make a joint submission to the abovementioned Inquiry being conducted by Senate Select Committee on the Scrutiny of New Taxes.

Australian University Sport (**AUS**) is the peak governing body of university sport in Australia and has 100 per cent coverage of the university sector. AUS represents, on behalf of its members, the sporting needs of Australia's university students. Amongst other things, AUS operates regional, national and international sporting programs inclusive of the Australian University Games.

The Australasian Campus Union Managers' Association (**ACUMA**) is the professional association representing managers and staff of campus service providers across Australia and has coverage of 87 per cent of the students and 77 per cent of the universities.

ACUMA member organisations provide a wide range of services and facilities including social activities, clubs, catering and retail outlets, bars, bookshops, formal and informal recreation and meeting spaces. ACUMA members also provide a range of more general student support services including counselling, student leadership and development, assistance with orientation to campus life, services to support and assist international students to adapt to studying in Australia, employment services, health services, childcare and accommodation placement services.

AUS and ACUMA member institutions between them currently account for 72 per cent of all spending on provision of campus services of the type which pre-VSU were funded by amenities and services fees.

Our submission is as follows:

**SUMMARY**

1. We welcome the overall design of the Bill and consider it will remedy most of the difficulties which have and are being experienced by the campus services sector under the voluntary student unionism policy which was implemented via the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Act 2005 (the VSU legislation)*.

## CURRENT STATE OF PLAY UNDER VSU

2. At the outset it is worth re-stating what most stakeholder organisations within the Higher Education sector have said about the impact of the VSU legislation. The April 2008 *Summary Report* produced by the Department of Education Employment and Workplace Relations (**DEEWR**)<sup>1</sup> noted at page 2 that most submissions to the February 2008 consultation undertaken by the Minister for Youth, the Hon Kate Ellis MP:

*"Concluded that the abolition of upfront compulsory student union fees had impacted negatively on the provision of amenities and services to university students, with the greatest impact at smaller and regional universities and campuses"*

3. AUS and ACUMA reported, in the 2007 *VSU Impact Study*<sup>2</sup>, amongst other things:
- overall 30 per cent reduction in employment in the campus services sector (involving loss of about 370 full-time and about 1,300 part-time jobs nationally);
  - 100 sporting and 261 student union services lost nationally;
  - 17 per cent reduction in the number of students in sporting clubs (from 72,000 to 60,000 students) and 14 per cent reduction in the number in social and cultural clubs (from 159,000 to 136,000 students);
  - direct funding for sporting clubs cut by 40 per cent and for interuniversity sport cut by 50 per cent; and
  - participation by women in both sporting clubs and inter-university sport has fallen by more than is the case for men.
4. As identified by Krause et al, there is a long-term trend for full-time higher education students to spend fewer days on average on campus<sup>3</sup>. Our view is that VSU has accelerated this trend – to the detriment of the overall educational experience at Australian universities.
5. We consider students are less engaged in on-campus co-curricular activities in particular, than was the case prior to VSU. Moreover, analysis of the ACER AUSSE 2007 survey<sup>4</sup> results and comparison of these results to the equivalent USA NSSE 2007 survey<sup>5</sup> results shows Australian first-year university students in 2007 spent less time in on-campus extra-curricular activities per week than the first-year students at either New Zealand or USA universities.

By this measure first-year college students in the USA are now spending about 63 per cent more hours per week during semester in on-campus co-curricular activities than first-year higher education students in Australia.

It is important to emphasise that student involvement in co-curricular activities has beneficial outcomes in two particular areas. Firstly, the experiences gained add to the graduate employability attributes of students through their involvement in leadership programs, exposure to different cultures and art forms and improvement to their communication and presentation skills. Secondly, these activities provide a transition for international students to integrate into local networks and activities, thereby supporting their adjustment to their new environment. This outcome is particularly important given the increasingly competitive nature of tertiary education globally.

6. VSU has resulted in about half of all universities nationally moving to a system where the delivery of student amenities and services, for at least one or more of the major parts of the campus services mix at the university, is by organisations not based upon a student membership model (whether fee based membership or otherwise).

In many cases the university itself has stepped into the role of delivering student amenities and services which were previously delivered by student unions, student sporting or other associations or student guilds, which has typically required the diversion of funds away from the core teaching and research activities of the university.

### **SUITABILITY OF THE \$250 PER STUDENT INDEXED CAP**

7. We have previously estimated<sup>6</sup> the average compulsory amenities and services fee per EFTSL in the 2005 academic year, prior to introduction of VSU, was \$293 (expressed in 2005 dollars).
8. Subject to some concerns listed below, we consider an indexed cap on the compulsory fee is appropriate and that the \$250 cap is pitched at about the right level given the proposed availability of the SA-HELP provisions.
9. We would be concerned with the adequacy of the cap if the government's intent is that the capped fee also provide for the on-going capital infrastructure needs (inclusive of deferred maintenance liabilities on existing buildings and construction/acquisition of new buildings and grounds/facilities) of the campus services sector. We outline the capital issue in more detail below.
10. It is understood the uses of the capped fee must be over and above those services required by the proposed *National Access to Services Benchmarks and National Student Representation and Advocacy Protocols (the Benchmarks and Protocols)*. The Minister may, by legislative instrument, make the Benchmarks and Protocols under powers to be provided at section 238-10 of the Act (section 38 of the Bill). We note the Minister for Youth released a draft copy of the Benchmarks and Protocols for consultation and that submissions about them were sought in early 2009. AUS and ACUMA's submission broadly supported the Government's approach.
11. We would be concerned with the adequacy of the cap if the compliance processes to ensure that no part of the capped fee is used for services required by the Benchmarks and Protocols, proved in practice to be inadequate.

### **SA-HELP PROVISIONS**

12. We welcome the proposed establishment of a new component of the Higher education Loan Program (HELP): Services and Amenities-HELP (SA-HELP), which will provide eligible domestic students with an option to access a loan for the capped fee through SA-HELP.
13. For those students who would otherwise struggle financially to pay the compulsory capped fee the option to access a loan via SA-HELP will ensure these students have access to a decent package of student amenities and services during the course of their studies, regardless of their financial circumstances.

## **INCREASED RELEVANCE OF CAMPUS SERVICES IN THE FINANCIAL CRISIS**

14. According to the Universities Australia *Student Finances* 2006 report<sup>7</sup> 70.6 per cent of full-time undergraduates reported working during semester. On average these students were working 14.8 hours per week. Based upon estimates provided in the *Student Finances* 2006 report and from statistical data provided by DEEWR we estimate for the 2008 calendar year the total after-tax earnings of full-time higher education students in Australia (counting both domestic and international students) from paid employment (mostly casual in nature) was of the order of \$8 billion.
15. The overall level of financial dependence by full-time higher education students on casual paid employment is presently at unprecedented levels in real terms.
16. Higher education students who depend upon casual paid employment during semester are unlikely as a group to be immune from the effects of the current global financial crisis. Unemployment is presently increasing and potentially may increase by a substantial margin before the current crisis has run its course.
17. Any material decrease in the availability or remuneration of casual employment for full-time students during semester will cause significant increases in the number of cases of students in financial distress. In these circumstances there will be additional demand placed upon university student support resources and unfortunately there will be potential for decreased student retention rates.
18. The proposed Bill will ensure an appropriate level of financial security and support for the campus services sector which in turn will provide students with greater access to affordable sporting, recreational and support services and amenities at a time when many students may find they have less money but more time on their hands than has been the case in past years.
19. Opportunities for personal development or leadership roles often provided to students via casual employment are also available through increased involvement in programmes such as on-campus clubs and societies.

## **REGIONAL UNIVERSITY SPORT FUNDING PROGRAMME**

20. The Commonwealth Government's Regional University Sport Funding Programme (**RUSFP**) currently provides \$2.5 million annually to assist funding of sporting services staff at 27 universities nationally. This programme is currently scheduled to terminate at the end of the 2010 year and the proposed Bill does not make any provision for continuation of the programme.
21. The RUSFP has provided a critical lifeline to preserve employment in regional university sport positions during the VSU years.
22. The proposed Bill will restore much needed funding across the board for sporting services at regional campuses. However the reality is that even with the new funding available for sporting services at regional campuses under the proposed Bill students at the regional campuses will typically have access to less in the way of sporting services when compared to students at the capital city and metropolitan campuses.
23. Notwithstanding the many regional sport capital projects funded out of the \$85.25 million in VSU Transition Fund (**VSUTF**) monies in the years following the introduction of VSU the regional campuses typically still possess materially less in the way of sporting capital infrastructure and equipment when compared to capital city and metropolitan campuses.

24. Sporting club administrators on regional campuses and who have hitherto been unaware of the scheduled termination of the RUSFP have been shocked to learn of the pending termination of this funding.
25. We would urge the Government to reconsider the 2010 scheduled termination of the RUSFP programme.

### **ACCESS TO CAPITAL FOR NEW CAMPUS SERVICES INFRASTRUCTURE**

26. Long before VSU was introduced by the previous Government the campus services sector overall was experiencing difficulties getting access to appropriate amounts of capital for the development of new infrastructure. In addition there were substantial deferred maintenance liabilities – which have continued to grow.
27. This is not to suggest there are problems with access to capital for campus services infrastructure at all universities. There are many recent cases of substantial capital projects for campus services infrastructure, inclusive of Macquarie and Curtin Universities to name just two.
28. The \$85.25 million in capital grants provided for by the previous Government via the VSUTF at the time VSU was introduced provided a temporary capital stimulus mostly for sporting infrastructure at the regional campuses. However it should be noted that on an EFTSL basis 74.5 per cent of all students in the higher education sector are enrolled at campuses that received nothing from the VSUTF grants.
29. Even given the capital stimulus provided by the VSUTF grants for regional sporting infrastructure, there remain many issues urgently in need of capital at many regional campuses. Recent examples include repeated complaints from sporting teams about the run-down state of and the need for major works on the playing fields at some of the regional universities.
30. Some further temporary capital stimulus for campus services infrastructure has been provided by limited access to the current Government's \$500 million Better Universities Renewal Program (**BURF**).

An analysis of the data provided by DEEWR on the BURF disbursements indicates that only about half of the Universities Australia member universities allocated any BURF monies to student amenities of the type listed in the Minister's proposed *Student Services and Amenities Fee Guidelines* and as released for consultation on 19 February 2009.

Of the universities which did allocate some of the BURF monies to student amenities of the type listed in the *Guidelines* it is considered based upon inquiries made that more than half of these allocated only relatively minor sums to this heading.

31. The experience of the campus services sector with the BURF grants indicates the reality that many universities will (perhaps understandably) allocate new capital first and foremost for core teaching and research functions – with infrastructure for student amenities of the type listed in the Minister's proposed *Student Services and Amenities Fee Guidelines* running a distant second.
32. The funding contemplated for the campus services sector in the proposed Bill (based upon a capped fee of \$250 per student, indexed) is not considered sufficient either to meet the on-going and long-term capital requirements of the sector or to address the now substantial deferred maintenance liabilities.

33. A more appropriate solution to the on-going and long-term capital requirements of the campus services sector would be to give universities access to capital grants (perhaps within programmes such as the Capital Development Pool) that are allocated specifically by government for campus services purposes.

### **PROGRESSIVE DETERIORATION IN THE SECTOR**

34. The particular impacts upon the sector mentioned in detail throughout this submission have a cumulative affect given the amount of time now passed since the VSU legislation was introduced. As noted above there has been an identifiable slowdown in capital projects which inevitably leads to deterioration in the infrastructure available for student services. The tightening finances of Universities have placed growing pressure on their capacity to allocate funds for student services and amenities at the expense of teaching, learning and research. The substantial loss of staff throughout the sector has produced a dangerous reduction in corporate knowledge in many organisations. Any instances of consumption of cash reserves have placed those organisations under far greater financial pressure.

These impacts will continue to mount over time and will eventually cause such a level of corrosion in the sector that a full recovery will be very difficult, if not impossible.

### **IMPLEMENTATION REVIEW**

35. It is recommended that two years or so after commencement of the proposed amendments to the Act the Government conduct a public review to determine the effectiveness of the new measures in restoring student services and amenities to an appropriate level.

#### **Contacts:**

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if you have any questions concerning this submission.

Yours sincerely

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On behalf of AUS

Tom O'Sullivan  
On behalf of ACUMA

#### **ENDNOTES:**

<sup>1</sup> DEEWR 2008, *The Impact of Voluntary Student Unionism on Services, Amenities and Representation for Australian University Students – Summary Report*, April 2008, Canberra, ACT.

<sup>2</sup> Australian University Sport 2007, *VSU Impact Study*, Second Draft Release of Research Report, February 2008, Milton, Queensland.

<sup>3</sup> Krause, K., Hartley R., James, R., & McInnes, C. 2005, *The First Year Experience in Australian Universities: Findings from a decade of national studies*, Centre for the Study of Higher Education (**CSHE**) at The University of Melbourne. See page v. A project funded by the Higher Education Innovation Programme, Department of Education, Science and Training, Canberra, ACT.

<sup>4</sup> Australian Council for Educational Research (**ACER**) 2007, *Australasian Survey of Student Engagement (AUSSE) 2007*, Camberwell, Vic. Refer to Table 14 at page 49. Further breakdowns on this table were provided to AUS and ACUMA by ACER.

<sup>5</sup> National Survey of Student Engagement 2007, *Experiences That Matter: Enhancing Student Learning and Success – Annual Report 2007*, Indiana, USA. Refer to page 48.

<sup>6</sup> Australian University Sport 2007, *op. cit.*, at page 82.

<sup>7</sup> James R., Bexley E., Devlin M., Marginson S. 2007, *Australian University Student Finances 2006 – final report of a national survey of students in public universities*, August 2007, Universities Australia commissioned the Centre for the Study of Higher Education (**CSHE**) at The University of Melbourne to undertake this study. See page 11.