

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005

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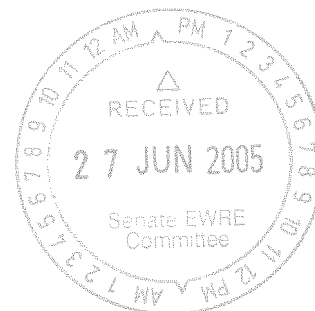


Australian Vice-Chancellors' Committee
the council of Australia's university presidents
(ACN 008 502 930 - ABN 53 008 502 930)

Our Ref: I-01-033

26 June 2005

Mr John Carter
Committee Secretary
Senate Employment, Workplace relations and Education Committee
Department of the Senate
Parliament House
CANBERRA ACT 2600
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Dear John

**Senate Inquiry into Provisions of the Higher Education Support Amendment
(Abolition of Compulsory Up-front Union Fees) Bill 2005**

The Australian Vice-Chancellors' Committee (AVCC) is the peak nation organisation representing Australia's universities.

Please find attached the AVCC submission to the Senate Inquiry into Provisions of the *Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005*. In your email of 20 May 2005 you agreed to receive the AVCC submission later than the normal closing date for submission.

Please do not hesitate to contact me if you have any further questions.

Yours sincerely

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Australian Vice-Chancellors' Committee
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**Ensuring effective services for
Australian university students:**

**AVCC Submission to the
Senate Committee on Employment, Workplace
Relations and Education
concerning the
*Higher Education Support Amendment
(Abolition of Compulsory Up-front Student
Union Fees) Bill 2005***

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Overview

A university education should be much more than just study. It should also develop students' broader capacity to be part of their society and assist in the development of that society.

For this reason universities strongly encourage students to participate in clubs and societies, cultural and artistic events, and sporting activities that provide opportunities for students to interact with each other and the wider community. To support this students are generally made members of the university student body, although many universities allow students a clear choice not to become a member where they do not wish to be so.

In addition universities and student bodies support students through a wide range of services and amenities such as child-care, legal services, health and employment services, assistance with accommodation and welfare, services food outlets, and advocacy in internal university matters affecting the student.

To support these activities and ensure that needed services and amenities are available, universities have levied a compulsory student services and amenities charge since student tuition charges were first regulated. A universal charge is necessary to ensure the continued delivery of these important services and amenities.

The importance of supporting these services and amenities has long been AVCC policy as is set out in the AVCC statement on student organisations – see Appendix One.

The *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005* as it now stands will undermine these services and amenities by preventing universities from requiring a student:

- to become a member of a student body; and
- to pay a charge for services or amenities that are not of an academic nature, unless the student chooses to pay.

If a university were to ignore the requirement, that university would be penalized \$100 per student place.

Universities, as autonomous bodies, should be able to govern their own enrolment practices, setting the student services and amenities charge based on local conditions and needs as is now the current practice. Prospective students are able to take the level of services and amenities, and the size of the charge into account when choosing where to study for their degree.

If the Bill were to pass in its current form once the Government has a majority in the Senate, then the outcome would be the loss of many of the services and amenities now available to students and a consequent narrowing of the education received by students.

The impact will be wide spread. It will be noticed in particular in outer urban and regional centres where university facilities and activities are the cornerstone of the

community. The Bill will also impact on education – strengthening attitudes that future education is only about economic outcomes.

The AVCC considers that the Bill will be harmful for student services and education and therefore supports options to achieve a sensible compromise which will ensure that membership of all student bodies would be clearly voluntary but allow universities to levy a charge to support key services and amenities.

Without such a charge it is clear that many students will choose the short-term benefit of not paying for such services and amenities to the detriment of those services and amenities in the longer-term.

In this submission the AVCC considers the two main issues involved: membership of student bodies, and the payment of a charge for student services and amenities. The submission then outlines the AVCC proposal for a suitable way ahead that meets the main objectives of the Government while ensuring that student services and amenities can remain a real part of university life.

Recommendation

The AVCC recommends that the Bill be amended to incorporate the following six elements:

1. membership of student organisations of any form should be voluntary;
2. a university can levy a charge for student services and amenities which is payable by all on campus students on a pro-rata (based on study load) basis;
3. the student services and amenities charge can go towards funding of services, facilities and amenities. The services and amenities would include at least health, welfare, dental, sporting, cultural and artistic and specific international student services. The funds cannot be used to support student political activities;
4. allowing for internal student representative and advocacy functions to be funded;
5. the university would collect the money as a condition of enrolment; and
6. the university would be responsible for the effective use of the funds raised whether through its direct provision of the services or contracting them to another body best capable of delivering the services, facilities and amenities.

The AVCC also recommends that the penalty provisions currently in the Bill be removed.

1. Compulsory membership?

Ending compulsory membership of student organisations is one of the Government's main aims with the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005* (the Bill). Implicit in this is an assumption that all students in all Australian universities have to belong to a student organisation. This is not accurate. As Table 1 shows it is not the case that all universities require students to belong to student organisations. More than half of all universities have no requirement for membership or provide exemptions for students who do not wish to belong to student organisations.

Table 1: Student enrolment and membership of associations

Not a requirement of enrolment		A requirement but exemption option available			Requirement of enrolment	
ANU	Monash	ACU	Deakin	UoN	UB	USQ
Bond	UQ	Adelaide	Flinders	UNSW	UNE	USC
Curtin	UniSA	UC	Griffith	Sydney	QUT	UTS
ECU	Swinburne	CQU	JCU	UTAS	RMIT	UWS
La Trobe	VU	CDU	Macquarie		SCU	UOW
Melbourne	UWA	CSU	Murdoch			

Source: AVCC Survey of AVCC member universities 2004

A further assumption often made in this debate is that students have to pay to belong to a student organisation. Table 2 shows that membership in most universities is in fact free with 24 of the 38 member universities of the AVCC provide free membership of the student organisation for that university. This is consistent with the AVCC Policy that students are encouraged to participate in their own organisations – providing open membership is not intended to force compliance but ensure students are able to participate where they wish to.

Table 2: Cost of membership of student organisations

Free Membership			Direct Membership Charge	
ANU	ECU	RMIT	ACU	QUT
UB	La Trobe	UniSA	Adelaide	SCU
UC	Melbourne	USC	Flinders	USQ
CQU	Monash	Swinburne	Griffith	Sydney
CDU	Murdoch	UTAS	JCU	UTS
SCU	UoN	VU	Macquarie	UOW
Curtin	UNE	UWA	UNSW	
Deakin	UQ	UWS		

Source: AVCC Survey of AVCC member universities 2004

Under the arrangements that have applied in Victoria since 1994 all students have been able to choose whether they wish to belong to a student association, with the student services and amenities charge limited in its use to particular services. Under this legislation all but a few students chose membership.

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It is clear that very few students are troubled by the membership of the student body as such. They understand that membership is open to all students.

To remove the issue of membership from debate AVCC members are willing to work with the provision of the Bill preventing any automatic provision of membership of student bodies by ensuring that each student is given the opportunity to indicate whether or not they wish to join.

2. The need for a student services and amenities charge

The scale and kind of services and amenities provided by universities varies depending on the region's need and existing infrastructure. For that reason the charge set by each university varies significantly: the services and amenities are tailored for local conditions.

In some cases the charge depends on the number of units in which the student is enrolled. The charge for full-time, on-campus students ranges from less than \$100 to more than \$350; the median is in the range of \$200 to \$250 per year. The charges are commonly set by the University Council; in some cases the authority to set the charge is delegated to a senior executive or administrative staff member. Special committees, usually with student representatives, set the charge at other institutions. Table 3 shows the range of charges by universities.

Table 3: Student services and amenities charge – total

Amount of the Charge							
<\$150	\$150-\$200	\$200-\$250	\$250-\$300	\$300-\$350	>\$350	Variable	
Bond	ACU	Griffith	UB	Adelaide	Flinders	CQU	SCU
Curtin	ANU	QUT	UC	UoN	Macquarie	CDU	USQ
ECU	UNE	USC	Deakin	Swinburne	Melbourne	CSU	Sydney
Murdoch	UNSW		JCU	UTS	UWS	La Trobe	UOW
UWA			UQ			Monash	
			VU			RMIT	
			UTAS			UniSA	

Source: AVCC Survey of AVCC member universities 2004

The full range of services and amenities provided through the charge includes important services such as:

- health, including dental service, and counselling;
- welfare services, including child care, and legal services;
- sporting facilities and clubs;
- studies assistance;
- computing facilities;
- artistic and cultural facilities and events as well as societies and support;
- international student services; and
- internal advocacy service to universities such as dispute resolution.

Table Four provides a comprehensive listing of the services and amenities supported by the student services and amenities charge in each university.

In a survey¹ of its member universities, the AVCC found that:

- more than \$170 million has been raised from student service and amenities charges in 2005 (Table 5);
- more than 3,000 employed staff would be affected (Table 5);
- less than 20% of those funds goes towards clubs and societies, advocacy, representation, and political activity. This includes advocacy and representation internal to universities, including such services as support with complaints and appeals (Table 6);
- more than 10% goes towards the funding of health and welfare Services (Table 6); and
- more than 21% goes towards funding sporting facilities and societies (Table 6).

Too much debate has focused on the funding of politics. It is evident that very little of the funds raised actually go towards political activities and most of that is used for internal representation and support for students. Likewise, funding for clubs and societies is actually a very small proportion of over-all funds. Most of these clubs and societies are self-funding, and offer valuable services and amenities to students.

The impact of no services and amenities charge

The Bill will have a devastating effect on the service provision in universities. Students, as shown in Western Australia, when given the option of not paying upfront for the services and amenities they might use at a later date, took the risk to save on the personal upfront costs to the detriment of the services and amenities on campus.

That is why student guild membership in universities in Western Australia fell to 30% or less of students. The University of Western Australia and Curtin University of Technology retained a membership of approximately 30%, while Edith Cowan University student guild membership dropped to 6%. Murdoch University's student body retained a membership of 35%. Where students do remain members there is a considerable loss in the economies of scale in providing services and amenities.

The nature of such services is that multiple use and broadly spread payment make them more viable and allow effective access to services and amenities. Once a significant number of users withdraw, the capacity to provide services at lower demand times reduces significantly. When services become restricted, fewer will seek to use them, and a downward spiral develops in which the services become less and less used and funded.

Notably the impact will be on:

- Health and welfare services;
- Outer urban and regional services;
- International student services;
- Artistic and cultural activities; and
- Sporting activities and facilities.

¹ This survey of all AVCC members was conducted in June 2005. Thirty-two universities responded.

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Table 5 – Student services and amenities charge: money raised and staff employed

QUESTION	What is the total of the services and amenities charge collected?	Using this money how many staff does the University employ?	Using this money how many staff does the student body employ?
TOTAL	\$169,234,261	394	2,724

Health and welfare Services

Services such as health, welfare and studies assistance are important for the student body to have access to, but will be severely affected by the loss of the services and amenities charge. Many students rely on these services, but they are costly to provide, and probably out of reach of many if they had to access them on a user-pays basis while studying. For this reason student bodies or universities themselves have provided these services, making use of funds from the student services and amenities charge to ensure their viability.

Table 6 – What service groups is the money raised by services spent on?

SERVICES PROVIDED	By University		By student body		Other		Total	
	\$ spent by all universities on service group	%	\$ spent by all Student bodies on service group	%	\$ spent by others on service group	%	\$ spent by all providers on service group	%
Sporting Facilities	3,530,923	15%	23,808,258	19%	9,081,440	35%	36,420,621	21%
Health & Welfare	4,151,382	17%	11,765,557	10%	2,312,657	9%	18,229,596	11%
Accommodation	1,854,000	8%	811,251	1%		0%	2,665,251	2%
Computing & other study assistance	1,903,153	8%	7,696,393	6%		0%	9,599,546	6%
Specifically for international Students	1,016,227	4%	2,991,544	2%	24,000	0%	4,031,771	2%
Clubs and Societies	1,579,079	7%	7,922,354	6%	146,000	1%	9,647,433	6%
Advocacy, representation and political activity	2,104,079	9%	21,120,225	17%	1,575,000	6%	24,799,304	14%
Other services non-political	7,830,837	33%	46,599,154	38%	13,060,124	50%	67,490,115	39%
Total	23,969,680	100%	122,714,738	100%	26,199,22	100%	172,883,639	100%
% spend of total	14%		71%		15%		100%	

Note: The total amount in Table 5 does not match the total amount in Table 6 which is an expense Table not an income Table

International Student Services

The Government recognises the importance of these services by requiring under the *Education Services for Overseas Students Act 2000* universities to provide services to international students. In doing so the Government recognises both the

importance of the services and that if left to market forces that they will not necessarily be available at desired levels.

Universities remain able to charge international students a student services fee (or include it within the overall charge for international students). Therefore universities will have the basic income to continue the provision of services for international students but the economies of scale provided by universal service provision will be lost, reducing the breadth of services available to international students. This loss is becoming known internationally leading to questions from potential students and their families. One spin-off from removing the requirements for Australian students to support services for themselves will be losses to the international income earned from international students.

There is also considerable difficulty in justifying a charge that would apply only to one group of students.

Clubs and societies

There has been some concern regarding compulsory funds going to support clubs and societies, where a student may not agree with the principles of such a group. Restricting a compulsory services charge to the provision of services and amenities, and making membership of all clubs and societies voluntary could overcome this problem. Memberships of clubs and societies are already voluntary in all cases.

Student representation is not political activity

There is also concern about the funding of political activity by the student organisation as a whole. However, universities have found student participation in internal advocacy mechanisms such as academic dispute handling, and internal representation on Boards and Councils very useful. Universities have expressed concerns about due process, if universities were to fund and support student advocates and representatives directly, rather than through a student body, a conflict of interest could easily arise. For this reason, the Bill should explicitly allow for internal representative and advocacy functions to be supported.

The survey (Table Seven) has further found that approximately 73% of universities will have the health and welfare services provided through the funds raised by a student services and amenities charge 'very highly' or 'highly' affected. No university expects that its health and welfare services will remain unaffected. More than half of universities indicated that the services provided specifically for international students will also be affected.

Table 7 – To what extent will the service groups be affected

SERVICES PROVIDED	Very Highly Affected		Highly Affected		Affected		Very Little Affected		Not Affected		Total
	No	%	No	%	No	%	No	%	No	%	
Sporting Facilities	21	66%	5	16%	4	12%	1	3%	1	3%	32
Health & Welfare	14	44%	10	31%	3	9%	5	16%		0%	32
Accommodation	1	3%	4	14%	4	14%	7	24%	13	45%	29
Computing & other study assistance	6	20%	4	13%	8	27%	3	10%	9	30%	30
For international students	8	27%	9	30%	7	23%	1	3%	5	17%	30
Clubs and Societies	21	68%	7	23%	1	3%	2	6%		0%	31
Advocacy, representation and political activity	22	71%	4	13%	4	13%	1	3%		0%	31
Other services non-political	21	72%	5	17%	3	10%		0%		0%	29
Total	114	47%	48	20%	34	14%	20	8%	28	11%	244

The AVCC survey also asked universities if they would be in a position to fund the services from other revenue sources if the legislation were to pass as it stood (Table Eight). The large majority of universities had only 'very limited', 'extremely limited' or 'nil' capacity to fund such services. Where any services will be provided, the funds would have to be taken out of teaching, learning and research monies. However, such a diversion of funds would be extremely difficult for universities, and be impossible to sustain on a long-term basis. The lack of effective indexation for universities core funding ensures that their capacity to underwrite students services and amenities will be low.

Table 8 – Which services will universities aim to fund from other sources

Services Provided	Substantially		To some extent		Not at all		Total	% Substantially or to some extent
	No	%	No	%	No	%		
Sporting Facilities	3	13%	15	65%	5	22%	23	78%
Health & Welfare	8	33%	13	54%	3	13%	24	88%
Accommodation	5	31%	6	38%	5	31%	16	69%
Computing & other study assistance	7	35%	8	40%	5	25%	20	75%
Specifically for international Students	7	33%	11	52%	3	14%	21	86%
Clubs and Societies		0%	10	45%	12	55%	22	45%
Advocacy, representation and political activity	1	4%	10	42%	13	54%	24	46%
Other services non-political		0%	16	84%	3	16%	19	84%
Total	31	18%	89	53%	49	29%	169	71%

Note: Not all universities were in a position to predict how they will direct their funds.

This would leave the provision of services and amenities to the funds raised from student voluntarily. As any local council would argue, it would be extremely hard to provide high quality services consistently without the revenues raised from property rates, which are raised on a compulsory basis. Similarly, universities will find it difficult to provide these much needed services. In Western Australia universities already had to face similar legislation, and this had several effects. Most students did not pay the charge voluntarily, which resulted in student bodies either collapsing, or the universities themselves having to underwrite these services – the evidence suggests that it was such support that ensured some of the WA Guilds could continue. Even in these cases, universities have indicated that they would have been unable to do this for much longer.

3. The penalty provision

The current penalty provision in the Bill is highly unnecessary, as universities are already subject to penalties provisions in the Act for failure to meet conditions of funding. It is understood that it is a matter of Government policy that the Minister should not have discretion on the issue of the penalty. The AVCC maintains that this makes the penalty provision then inconsistent the Act, in that the Minister is able to use his discretion regarding other breaches of funding conditions.

Further the implication is that universities are particularly likely to break this condition. Certainly as indicated strongly over recent years the measures in the Bill are opposed. However, universities will always seek to work within legislative requirements. They do not need the folly of badly considered penalties to ensure that they do so.

4. The AVCC Proposal

In order for adequate service provision to occur in universities, universities must have the ability to levy a separate student services and amenities charge which would be used to support essential student services and amenities. The funds raised should not be used for political activity and representation. In order to meet the government's policy objectives of achieving freedom of association all students must be given a clear choice of whether they wish to be members of university student bodies.

The following elements would achieve that outcome:

1. membership of student organisations of any form will be voluntary;
2. a university can levy a student services and amenities charge which is payable by all on campus students on a pro-rata (based on study load) basis;
3. the student services and amenities charge can go towards funding of services, facilities and amenities. The services and amenities will include at least health, welfare, dental, sporting, cultural and artistic and specific international student services;
4. allowing internal student representative and advocacy functions to be funded;
5. the university will collect the money at enrolment; and
6. the university will be responsible for the effective use of the funds raised whether through its direct provision of the services or contracting them to another body best capable of deliver the services, facilities and amenities.

Recommendation

The AVCC recommends that the Bill be amended to incorporate the above six points.

The AVCC recommends that the penalty provisions currently in the Bill be removed.

5. Appendix 1: AVCC Policy Paper

1. The issue of nomenclature in relation to student organisations in Australian universities is important. The organised student body of a university is not similar to an industrial trade union and, therefore, the term "student union" can be misleading. The student body is more correctly described as a "student association" or a "student guild".
2. In every university there are essential services and facilities that are provided for students which are both an important element in the social and cultural life of universities and a part of the education process. Such services are often provided by student organisations, some of which have existed for many years, and are considered to be an integral part of university life.
3. Universities strongly support the view that the levy charged for the provision of services and amenities for students is an obligation of enrolment, whether they are provided by student organisations or in other ways by the University. It is the prerogative of universities to determine conditions of enrolment.
4. Where student organisations provide an extensive range of services which the universities recognise as essential, their financial viability is fundamental. Services include the provision of food outlets, buildings, meeting rooms, toilets, stationery and second-hand book services, child care, legal services, health and employment services, assistance with accommodation and welfare services. As the student body changes, services directed to part-time and external students have become more important. Student organisations also encourage a broad range of activities by funding diverse groups reflecting student interests. Participation in these activities is educational in the broadest of senses, encouraging students to develop their social skills. Provision of these services is traditionally undertaken and funded by the student body, which is the direct beneficiary.
5. Student organisations accept banks, travel agencies, pharmacists, hairdressers, newsagents, clothes stores and others as tenants. These are areas in which the organisations cannot provide the same standard of service to the student community as the tenant can, and the income received subsidises other services.
6. It is essential that the student organisations continue to contribute to the ethos of the universities in this way. To do so, however, they must have adequate funds at their disposal.
7. The AVCC believes that representative student organisations work best when membership is universal, and therefore supports universal membership. All universities benefit from the existence of representative student bodies whose members can serve on academic bodies and university committees of various kinds. Universities recognise, nonetheless, that some students may not wish to be members of a student organisation.
8. The AVCC believes that it is in the interests of both universities and their students that the process related to exemption from membership of student organisations are clearly defined, including the grounds on which exemption will be considered and provided to students in written form, preferably in the university handbook. To be granted exemption, students should be expected to make a case in writing which is acceptable to the university.
9. Universities strongly support the view that the levy charged for the provision of student services and amenities is an obligation of enrolment and must be paid, regardless of whether these charges are paid directly to the university or through a student organisation.

10. The responsibility for student services in the majority of universities, and therefore the entitlement to the associated charge, is vested in the student organisation. In cases where a student has obtained exemption from membership of a student organisation, the student should still be required to pay to a nominated source a sum of money equivalent to the membership charge levied by the student organisation so that there shall not be any financial incentive for the student to opt out of membership of the student organisation and so that a comparable range of services and amenities may be provided.

June 2005