



Student Association Incorporated  
University of Tasmania, Launceston

**SUBMISSION TO THE INQUIRY INTO THE PROVISIONS OF  
THE HIGHER EDUCATION SUPPORT AMENDMENT  
(ABOLITION OF COMPULSORY UP-FRONT UNION FEES)  
BILL 2005**

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## **1. Introduction/Summary**

Many Voluntary Student Unionism (VSU) supporters overlook what services are offered by student organisations in 2005 and, unfortunately, the current VSU Bill confuses two separate issues – the difference between a general service fee and that of compulsory unionism (student councils). At the end of the day this bill should be about ensuring that students are protected from the practices of student union bodies who have limited skill and experience to undertake their required duties, not about destroying vital on campus services, particularly in geographically isolated universities. Many of the adverse effects of VSU will not be immediate however students will lose many of those small, but integral, elements of campus life that make studying at university the fulfilling experience it currently is.

In order to produce the ‘rounded student’ and offer a truly valuable university experience, a university campus needs a student organisation. The university experience is more than simply turning up to lectures. Student organisation services and activities are an important part of the social and cultural life of the university and students can only benefit from this environment. In addition to the direct impact on campus culture, VSU would also have the potential to reduce the number of international students attending the university. Campus life at Australian universities is undoubtedly a strong selling point in the international student market that is worth approximately \$5 billion dollars per annum. The legislation could have the adverse effect of diminishing the numbers of international students who come to study at Australian universities as it would deny them the ability to offer a comprehensively serviced campus-based education.

## **2. Student Association Background**

The Student Association at The University of Tasmania welcomes the opportunity to comment on the Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005. The Student Association (SA) is responsible for the provision and support of a range of quality, cost effective and relevant operations and service provision to students enrolled at the Northern campuses of the University of Tasmania (Newnham, Inveresk and Cradle Coast – Burnie). The campuses that the SA is responsible for are classed as small and/or

regional with approximately 6094 enrolled individuals. The allure of Launceston, Inveresk and Burnie as viable tertiary education options for interstate and international students is more than what is offered by its academic programs. As small and regional campuses, Launceston, Inveresk and Burnie must actively provide and market their many unique features so that students across not only Australia, but also across the globe, find them an attractive option for their tertiary education aspirations. It is the lifestyle and amenities provided on and off campus that set our campuses apart from larger institutions.

The Student Association provides the ideal culture for the transition of students into tertiary education by creating a sense of community. The University of Tasmania Amendment Act 2001 states that one of the functions of the university is to: ‘engage in activities which promote the social, cultural and economic welfare of the community and to make available for those purposes the resources of the university’. Our Vice Chancellor has already endorsed the continuation of our student organisation as an important element in performing this function.

### **3. How the S&A Fee is charged / voluntary membership already exists**

The S&A Fee is used to fund on-campus services and facilities including capital expenditure (82.5%) and student representation (17.5%). This fee is currently capped at \$264 for full time students or \$33 per 12.5% unit load of study. However, Summer, Winter and Spring school students pay a reduced amount to reflect the shorter teaching periods and therefore lesser access to services and amenities. In addition, Offshore and Interstate study centre students are not charged a fee and students based in Burnie or those studying via distance education pay half fees. Membership of the Student Association is already voluntary. If students do not want to be a member of our organisation, they can make that election at anytime with only being made ineligible to vote in or stand for student council elections. However, if an individual does choose not to be a member of the organisation, the S&A fee is still charged and collected by the University under the University Ordinances that also govern the application of S&A fees by the Student Association.

#### **4. Services and Amenities Fee (S&A Fee); On-Campus Services and Capital Expenditure**

Non-core academic services and facilities provided by S&A Fees are an essential adjunct to the academic services and facilities provided by universities. Without the other, neither provides the complete education experience universities promote themselves as providing. VSU could result in the removal of the universal membership of the student community and, ultimately, the collapse of student organisations. For delivery of the services provided by student organisations there has to be an infrastructure in place to make them available. Payment of a compulsory student fee is the most equitable and efficient way of providing this infrastructure.

At the University of Tasmania, the S&A fees paid by students based at the Northern Campuses of the University are used to provide services and facilities which are not provided by the University, but which are used extensively by students. As previously mentioned, membership of the Student Association is voluntary and not linked to the payment of this fee. Without a universal service fee that subsidises the cost of our services, many students would be unable to use our facilities, be a member of clubs and societies, apply for our scholarships and bursaries, participate in our activities and so on as these services would become financially unsustainable. Some small services may seem innocuous but are vital to ensuring students have a cohesive and enjoyable university experience. (See section 6 for a breakdown of financially viable and non-viable operations under VSU in its current form)

In spite of the fact that the SA is based on a small and regional campus, we have spent over \$4.6 million since 1993 to develop amenities and services. Below is a breakdown of our expenditure in this area:

<u>Property Occupied</u>	<u>Funding</u>		<u>Total</u>	<u>SA</u>
	<u>SA</u>	<u>University</u>		
SA Building, Bar, Coffee Shop, Resource Centre Convenience Store Computer laboratory Retail service outlets Academic dress service	2,106,000	1,500,000	3,606,000	Yes
Degrees Rest't	66,000	66,000	132,000	Yes
Cafeteria	548,000	40,000	588,000	Yes
Sport & Rec	1,303,500	457,705	1,723,500	No
Tennis Courts	100,000	100,000	200,000	No
Boat Shed	250,000		250,000	Yes
Café and Gallery (Inv)	300,000		300,000	Yes
<b>Total</b>	<b>4,673,500</b>	<b>2,163,705</b>	<b>6,837,205</b>	

As would be expected, some students use our services more than others. This mirrors the experience of Local, State and Federal governments, whose services and facilities are utilised to varying degrees by rate and taxpayers. As with students and service and amenities fees, it is doubtful that those who utilise the services and facilities of Councils and Governments would pay rates and taxes if they were voluntary. True, the SA is not a fourth level of Government but the same principle applies to many realms of Australian society to ensure uniform standard;

- Lawyers similarly have to pay fees to law societies
- Ambulance levies
- Accountants and Teachers' registration fees

## **5. Potential Job Losses**

At present, the SA employs approximately 60 staff and provides numerous services to the students at the Northern campuses of The University of Tasmania. Under the proposed legislation, the Student Association would lose approximately 75% of its net income. This would almost certainly result in the closure of commercial operations for 26 weeks of the year, the termination of services and activities currently provided and the end of any Student Association funded development or improvement of campus facilities in the future.

Retrenchments will be an inevitable consequence of VSU as would the downgrading of currently employed staff from full-time to casual or part-time. Well-trained staff who are currently an asset to the SA will be forced to seek more stable employment elsewhere.

The SA is also an employer and trainer of many students. As an employer it is committed to providing young people with more than just a job. The SA has a high focus on training its employees so that they have valuable and transferable skills in work and life. As an integral part of the university culture, the SA is acutely aware of the unique circumstances faced by those doing tertiary education and is able to provide flexible working conditions conducive to study commitments. A consequence of having to minimise commercial operations is that many students will be forced to seek employment with off-campus employers who are often less supportive or unsympathetic to their unique requirements.

## **6. Would Private operators be able to deliver if VSU was introduced in its current form?**

In practical terms, private operators would be unable to replace current SA services because of our relatively small student market and the fact that the captive and profitable student market only exists for 6 months of the year. Only a student organisation with a compulsory service charge can properly maintain services, facilities and activities for *ALL* of its members all year round.

### **A. Financially Viable Operations:**

Cafeteria (26 weeks), Coffee Bar (26 weeks), Unibar (26 weeks), Shop (26 weeks), Degrees (26 weeks), Catering (26 weeks), Vending Machines (52 weeks), Graduation (2 ceremonies per year), Interest and rent (52 weeks)

Commercial operations on campus are operated to be self funding and to generate a surplus after direct costs to cover management and administrative overheads but would nonetheless only be open for business 26 weeks of the year as non-semester times are not profitable. Currently, S&A fees cover the cost of wages and overheads during quieter times (Summer, Spring and Winter School). In 2004, the financially viable operations of the SA produced a surplus of approximately \$300K before administration overheads. The budget for 2005 is approximately the same. Administration overheads would be approximately this amount without supporting financially unviable operations

### **B. Financially Unviable Operations**

Non-commercial operations and services and the cost of management and administrative support of these functions are funded from Service and Amenities fees. As a result, these services would be discontinued:

- Resource Centre services – Newnham, Inveresk and the Cradle Coast Campus
- Affiliations to University Sport (AUS), University Activities (ACCA) and the National Tertiary Arts
- Grants and funding support – academic, sporting and personal development
- Clubs and societies
- Personal Accident Insurance
- Scholarships, bursaries and awards
- Sport and Recreation activities and facilities\*
- Student Representation
- Facilities development

\* The current rates at the Unigym are approximately half that of comparable commercially operated gyms. Standard membership at the Unigym costs \$260, comparable to \$548 in the city. Gold membership costs \$335 comparable to \$658 in the city. This is because the gym is operated on a neutral cost basis to enhance student health and well being, not to provide a bottom line for a financial investor.

## **7. Student Representation**

Effectively monitored student representation is an essential part of the equation in the delivery of services and facilities as it keeps student organisations in touch with their grassroots student demographic. The SA is also a facilitator for the Student Representative Council and firmly believes student representation at higher-level university strategic and planning levels is an integral part of a democratic campus life. Should VSU be introduced in its current form, the SA's Student Representative Council would be discontinued. We acknowledge that there is a credible argument that many student representative bodies become repositories of political extremism such as the National Union of Students' (NUS) expenditure of over \$250 000 on last year's Federal Election campaign to "put the Liberals last", NUS' 2003 'If Centrelink can't help, theft will' posters and Murdoch University Student Council causing \$12 000 worth of damage in protest at full fee playing student places in 2004 to name a few. However, the VSU bill should be about ensuring that students are protected from such practices of student union bodies who have limited skill and experience to undertake their required duties. It most certainly should not be about punishing the majority of non-politically active students on campus by removing vital services and facilities.

## **8. Additional Issues for Consideration**

Small and regional campuses are integral cogs in Australia's tertiary education system. They are also the ones who will be most adversely affected by changes to the current compulsory Service and Amenities fees structure. As it stands, there is no absolutely no reason for the Federal Government to apply a punitive and draconian 'once size fits all' approach to student organisations. In doing so, the Government is contradicting its own policy: 'It is important that we consider whether Australia can continue to expect a one-size-fits-all model of higher education to compete with the world's best, cater to regional communities and offer excellence in teaching and research'.<sup>1</sup> It is in the national interest that regional universities such as ours continue to be a attractive study options for all students, especially in light of current chronic skills shortages in regional and rural Australia.

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<sup>1</sup> Nelson, Dr Brendan, *The Future Diversity of Australian Universities*, Media Release, 2 March 2005.



Despite the Student Association having no compulsory membership requirements, being the sole provider of core services and amenities on campus and having a functional and accountable representative student body, our student community will still be punished if the proposed legislative changes, as they currently stand, are enacted.

It is becoming increasingly evident that the real driver of this legislation is resentment by some now senior Liberal Party politicians at their unfulfilling university experience 30-35 years ago. This resentment is being recycled as a ideological crusade with little regard for practical consequences. This is a sad reflection on the character and credibility of those currently entrusted to make important decisions of Government.

Indeed, as the current proposed legislation stands, it is a threat to the viability of each and every small and regional campus in Australia and the communities that support them. Tertiary education is more than attending lectures and university campuses are not part-time employment and social hubs. They are full-time micro-communities supported by macro-communities who also benefit from the social services and commercial operations provided by a campus. Currently, the vast majority of those social services and commercial operations are run by student organisations Australia wide. Should the current proposals become law, some commercial operations may well survive but many other vital services will be lost.

## **9. Conclusion**

Student Associations, Guilds and Organisations play an important role in university life and should be encouraged in Higher Education policies as they provide essential services, facilities and opportunities to their respective student communities for a nominal fee. Charging of the S&A Fee is essential for all university student organisations if Australian universities want to compete internationally as it funds services that contribute significantly to the overall quality of the university experience. We urge the Government to reconsider the bill and retain a general

service fee as the introduction of VSU in its current form will only serve to weaken Higher Education in Australia.