RMIT response to Department of Education, Employment and Workplace Relations Discussion Paper:

*The Impact of Voluntary Student Unionism on Services, Amenities and Representation for Australian University Students, February 2008*
1. Introduction

RMIT University welcomes the opportunity to comment on the impact to the sector and students of the introduction of The Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005 (referred to throughout this paper as VSU). Furthermore we welcome the opportunity to provide input to development of a sustainable approach to funding services and amenities that do not direct funds from core activities.

It is encouraging to observe a strong commitment by the Government to "...ensuring that university students have access to the amenities and services they need, including childcare, healthcare, counselling and sporting facilities." The University has long recognised that access to these services is important in supporting students' academic success and ensuring diversity of participation in higher education.

Before commenting on the specific issues outlined in the Discussion Paper, the University would like to make the following comments:

- It will take a number of years before the full impact of VSU is known and much of the impact is likely to remain unquantifiable.
- The opportunity cost to the sector is significant as funds are diverted from the core activities of teaching and research to fund services and amenities previously supported by Compulsory Non-Academic Fees (CNAF). This erodes the sector's capacity to invest in quality improvements and innovation. It also impacts the sector's ability to attract and retain local and international students in an increasingly competitive and well-funded global educational environment.
- The University has historically funded a suite of student focussed services through the University's Students Portfolio. Funding for these services has been provided by the University and has not been reliant on CNAF contributions. This has enabled the University to maintain critical services albeit at lower levels post-VSU.
- The introduction of VSU does not prevent universities charging CNAF to TAFE or international students (for those services that universities must provide to international students under Education Services for Overseas Students (ESOS) obligations). RMIT decided not to charge CNAF to these student cohorts on principle of treating all students equitably.

2. Financial impact

In 2007 VSU resulted in lost CNAF income of approximately $10M (estimate based on 2005 CNAF collection of $9.2M) and a diversion of University funds of at least $4M annually to compensate for this lost funding. In 2008 the University has committed $4.2M to compensate for lost CNAF funding, bringing the University's total contribution to date to more than $10M (total also includes the University's contribution for Semester 1, 2006 of $2M).

The $10M allocated by the University over the last 3 years has been a corresponding reduction in the funds available for learning and teaching, effectively meaning less staff available for direct education as it is diverted to support other services supporting the student experience.

Following is an estimate of the net impact and annual reduction in the University's capacity to provide services to students.

| Lost CNAF revenues – Sem. 2, 2006 | $5M |
| Lost CNAF revenues – 2007 | $10M |
| Lost CNAF revenues – 2008 | $10M |
| **Total lost CNAF revenues to date (approx.)** | **$25M** |
| RMIT contribution to compensate lost CNAF revenues – Sem. 2, 2006 | $2M |
| RMIT contribution to compensate lost CNAF revenues – 2007 | $4M |
| RMIT contribution to compensate lost CNAF revenues – 2008 | $4.2M |
| **Total RMIT allocation to compensate lost CNAF revenues to date** | **$10.2M** |
| **Net impact to date – lost income and diversion of income from other activities** | **$35.2M**\(^1\) |

\(^1\) This figure does not include lost revenue due to the reduction in capacity of the University's student organisations to generate additional (non-CNAF) income.

---

\(\)
<table>
<thead>
<tr>
<th>Pre- VSU annual CNAF revenues collected (approx.)</th>
<th>$10M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post- VSU annual CNAF revenues collected</td>
<td>$0</td>
</tr>
<tr>
<td>Post- VSU annual RMIT contribution to compensate lost CNAF revenues (approx.)</td>
<td>$4M</td>
</tr>
</tbody>
</table>

**Annual reduction in capacity to provide services to students (approx.)** $6M

The organisations most affected by VSU have been the RMIT Student Union (RSU) and the RMIT Union (RU). The RSU was and remains the main representative and advocacy organisation for students and is governed by a Student Council elected each year by students. Post-VSU the RSU has been restructured with a revised Constitution which has centralised its governance rather than continue as a federated campus based organisation. The RU was established via statute under the University’s Act to sponsor and promote social, cultural, educational and recreation activities within the University. Post-VSU the Constitution and governance of the RU have been revised.

Prior to VSU legislation 97% of CNAF funding was provided to these two organisations (60% allocated to the RU, 37% allocated to the RSU and approximately 3% retained by the University for administrative purposes). Post-VSU the University has provided funding to both the RU and RSU so that these two organisations can continue to provide important representative, advocacy, recreational, cultural and support services to the University’s student population.

The RSU has through 516 voluntary financial members raised an additional $23,476 (after GST) in 2007. This is not an indication of actual membership as a number of student volunteer’s membership fees were waived in lieu of their time. Nor is it an indication of interest in membership, as over 9,000 students registered their interest in joining the RSU at the time of enrolment but many did not convert this to paid membership.

It is difficult for the University to quantify the in-kind contributions made post-VSU. Responsibility for some services to students, management of facilities and also corporate services (Human Resources, Financial Services etc.) have been transferred to the University and some funding provision ($1.4M from the University’s $4M allocation in 2007) has been made for this. However, it is the University’s opinion that the cost of much activity previously funded by CNAF has been absorbed in the operational costs and workloads of various units within the University.

The costs of transitioning to the post-VSU environment have also been significant. The restructure of the RU resulted in a large number of redundancies (over 70). RMIT Union reserves have partly been used to cover these and other transition costs. However, the remainder of the reserves has been allocated by RMIT to improve the experience of students at the University.

3. **Changes in service provision**

The University has retained almost all services in some capacity post-VSU. The only service to be discontinued has been the dental service. Discounts are now available for students at nearby dental service providers.

The continuity of services has been enabled by allocated University funding and reorganisation of service delivery. Prior to the implementation of VSU a comprehensive review of services was undertaken with services categorised into three levels that determined the level of funding/subsidy the University would contribute. These are as follows:

**Universal Services** - fully funded by RMIT. These services include: well-being and academic services; student representation and advocacy services; and student media.

**Subsidised Services** - partly funded by RMIT (some of these services aim for full cost recovery, others are subsidised). These services include: clubs, societies and collectives; sport, recreation and arts programs.
Commercial Services – management of tenders and contracts provided by RMIT but no funding to operate these services provided (services to operate on full cost recovery/profit basis). These services include: bookshops, fitness centres, catering services and childcare.

The RSU continues to manage student representation and advocacy as well as clubs, societies and collectives and student media. The RU continues to manage sport recreation and arts programs and also manages the University's City Fitness Centre and a number of arts facilities. Service agreements have been negotiated with these organisations and funding provided accordingly.

A number of responsibilities and services have been transferred from the RU to the University. The University's Student Services Group now provides an expanded range of services with the addition of financial advice, tax, childcare and legal advice (provided through a joint agreement with the University of Melbourne's Student Union Limited). The University's Property Services Group now manages an expanded range of facilities (including the maintenance costs associated with them) and a number of commercial contracts for catering services, bookshops, and the Bundoo Netball and Sports Centre (BNASC). Various corporate services (Human Resources, Financial Services, Marketing) are also provided by the University, where previously these had been provided internally within the RMIT Union.

Although allocated University funding and reorganisation of service delivery has ensured the continuation of service delivery the reduced level of funding has resulted in diminished capacity. Staffing levels within the RU in particular but also the RSU have been significantly reduced. Pre-VSU these two organisations had approximately 120 equivalent full-time staff (EFT), post-VSU staffing levels have dropped to approximately one third of this.

There is some anecdotal evidence that reduced funding for honoraria in the RSU has resulted in students less inclined to take up the running of various collectives as they need to devote more time to paid work to make ends meet. Reduced funding has also meant that representation has tended to be centralised on the University's city campus where previously there was equal representation across the University's three main domestic campuses. The ability of the RSU and RU to run events, market and promote their services to students has also been diminished.

4. Changes in student representation and advocacy

The University has many formal and informal structures through which students have a voice and are represented.

Formal structures include membership and representation of students on University committees at various levels (with minimum student membership numbers often prescribed in governing acts, regulations, policies or procedures). University wide committees with student members include: Council, Academic Board, Academic Portfolio Boards, Discipline Boards, Appeals Committees, Student-Staff Consultative Committees, and a Student Advisory Committee, reporting to the Vice-Chancellor through the Pro Vice-Chancellor (Students) to advise on various University wide policies and projects that affect students.

The University also has a comprehensive suite of surveys at the University, program and course level to gauge student sentiment on a range of University issues both within and outside their program.

The RSU as an independent body, run by and for students, has and continues to play an important role in feeding into the formal committee structures of the University. The RSU is often invited to provide representatives for various committees and reference groups. The RSU also provides significant guidance to students who are members of committees, to enable them to adequately canvas opinions and represent a wide range of students and navigate what are to the inexperienced quite complex governance structures.

The RSU often supports students in appeals and discipline processes and in other forums where students wish to challenge or contest decisions made by the University.

Post-VSU the RSU is almost entirely reliant on the University for funding to support its continuation. This creates some conflict in the perceived independence of this organisation and also a degree of conflict in
that the University is now effectively providing funding for campaigns against (in some cases) University decisions.

The loss or reduction in capacity of an organisation such as the RSU is also of concern due to the crucial role such an organisation plays in bringing together a critical mass of students able to canvas and represent a wide range of opinions. Such organisations also provide an important intermediary point between universities and students to quickly identify and resolve issues before they escalate.

5. Exploration of Models for sustainable services for students

The University believes that there are essential services and amenities that university students should be able to access. Essential services include: well being and academic services; student representation and advocacy service; clubs societies and collectives; sport, recreation and arts programs and related equipment expenses. Essential amenities are more difficult to define and will be guided by differing institutional missions and discipline offerings (for example the University has a strong art and design discipline and therefore the availability of galleries for our students is essential). Essential amenities will also be guided by the availability or lack thereof within the local community.

RMIT does not support increasing the costs of higher education participation for students, and advocates the following model (endorsed by the Australian Technology Network of Universities) to support the sustainable provision of these services and amenities on the nation's campuses:

1. That Government funding levels per Commonwealth supported student are increased to allow universities to provide a range of essential student services such as those listed above.

   The University recommends that a percentage of this increased funding be allocated for student representation and advocacy and provided directly to student representative organisations to preserve their independence. We recommend that the remainder of the increased funding be directed to institutions for the provision of other services and negotiated internally via service agreements with providers based on institutional needs.

   The University is concerned about the complexities and costs of the proposed HECS-style loan model should the Government's preferred option be the reinstatement of some form of compulsory student support and services fee. Under such a model, the University would be required to implement different systems for different student cohorts, many of whom do not currently have a HECS or Fee-HELP debt. This model would require a different payment system for international students who don't have access to income contingent loans. Therefore the University recommends that before adoption of such a model as the preferred option, there is a full consideration of the costs and issues around implementation.

2. There are significant ongoing infrastructure costs associated with the delivery of services described in this submission. The University therefore advocates the establishment of a funding pool similar to the Capital Development Pool (CDP). We believe this pool of funding should be separate from the Higher Education Endowment Fund with a distinct and differing mission, that is to support the development and maintenance of student focussed spaces and amenities, including but not limited to sports and arts facilities.

   We believe this funding model is an appropriate investment benefiting both current and future students. It is also an investment in Australia’s international educational reputation.