



# Services Policy

**Category:** Governance  
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**Approved By:** Executive Committee & Management Board  
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## Introduction:

The purpose of this policy is to provide clear direction as to the objectives and expected outcomes of services provided by the Association.

## Policy Statement:

The Association will provide the opportunity to enrich the University experience of students by providing the best value and most relevant range of services.

## Procedures:

### Overview

The Services Policy shall govern all assets and activities of the Association that have a direct or indirect benefit to students in the short term, whether wholly or partially owned by the Association.

Services with a direct benefit to students shall include:

- a) Food and Entertainment services, such as cafes, bars, bookshops, and other retail outlets; and
- b) Student Support Services, such as representation, education support, clubs and societies support, and childcare.

Services with an indirect benefit to students mean services that support the provision of services with direct benefits for students, and shall include:

- c) Business and Financial Services, such as accounting and other financial services, information technology, facilities (including buildings) and maintenance, and human resource support;
- d) Communication Services, such as marketing, media, and publications; and
- e) Governance Services, such as the Executive Committee, the Management Board, and the Chief Executive.

The Investments Policy and Services Policy are mutually exclusive policies, and every asset and activity of the Association shall be governed by one and only one of these policies.

## **Objectives**

The provision of every service of the Association shall be governed by three service objectives:

- a) Sustainability, through ensuring surplus objectives are met; and
- b) Relevance, through ensuring services are relevant to the changing needs of the students; and
- c) Satisfaction, through ensuring services meet expectations of quality and service delivery.

The Association shall endeavour to meet sustainability targets each year and to improve on both the relevance and satisfaction targets. Targets shall also be comparable between years in so far as possible.

The Association shall also be mindful of the variety and price of services (including the timing of any changes). In the event that a good or service offered may be perceived as offensive, the Chief Executive shall consult the Management Board for clarification. This may be further referred to the Executive Committee, depending on the situation.

All service objectives shall apply equally to every service department and areas within the Association, in so far as is possible. Every service and department shall endeavour to contribute to the overall objectives, and services should not cross-subsidise other services.

## **Sustainability**

The Association must structure itself in such a manner to not only provide services for the students of today but for students in the future, with the future having no definite end. The Association must therefore make reasonable surpluses in order to ensure the sustainable provision of services, both now and in the future.

Surpluses must take account of:

- a) The size of the asset base of the Association;
- b) Increases in the demand for services, through increases in the student population;
- c) Increases in the demand for services, through increases in the disposable incomes of students;
- d) Inflation prospects;
- e) New services and the expansion of existing services;
- f) Asset maintenance requirements and future capital development; and
- g) Unexpected negative budget variances.

The surplus target for services shall be between 6% and 11% of assets employed by services within the Association (net assets less investments).

## **Relevance**

The Association must ensure that it is relevant to the diverse and changing needs of the student population, through constantly reviewing the range and relevance of services offered.

The Association shall derive relevance targets from the number and variety of students accessing the Association's services. This may include the number of transactions in cafes, bars, and other

retail outlets, the number of students attending events, the number of hours of childcare provided, the number of students accessing support services, and other such measures.

## **Satisfaction**

The Association must ensure that the services and products offered by the Association meet the expectations of its members.

The Association shall derive satisfaction targets from regular satisfaction surveys of students.

## Appendix:

### **Surplus Objective**

The surplus objective has taken account of the factors listed in the Services Policy through being estimated by the following formula:

Minimum value = change in EFTS + change nominal GDP per capita for NZ

Maximum value = minimum value + 5%

The surplus objective takes account of the size of the asset base of services by being specified as a percentage of the average total assets employed by services within the Association, excluding any investments. It is therefore able to adjust to the changing size of services within the Association, including any variations in the asset base of services during the course of a financial year.

Changes in the demand for services, through changes in the student population, have been estimated by the average change in the number of equivalent full time students (EFTS) at the University of Canterbury. The number of equivalent full time students reasonably reflects the time spent on campus, and therefore demand for services, as part time and part year students tend to spend proportionally less time on campus.

Changes in the demand for services, through changes in the disposable incomes of students, have been estimated by changes in the average income of a person in New Zealand, as changes in the disposable incomes of students have remain reasonably consistent with changes in average overall incomes. Low increases in government support for students have generally been balanced with higher than average increases in other support from the likes of family, due to the higher than average socioeconomic backgrounds of students.

These changes in average incomes have further been estimated by the change in nominal Gross Domestic Product (GDP) per capita in New Zealand, a reliable statistic easily and readily available on a quarterly basis. This also incorporates changes in inflation, which can be used to estimate inflation prospects for the future.

The provision of new services, expansion of existing services, asset maintenance requirements, and future capital developments are all issues of cash budgeting and financial management. Insufficient accrual surpluses may however result in insufficient cash reserves in the long term. The Investments Policy framework and surplus levels within this policy should however adequately address the long-term financing needs of the Association.

Unexpected budget variances have been accommodated through providing an interval for the surplus objective. Prudent financial management should mean that the budgeted target should neither be near the floor or ceiling of this range, and hence avoid a situation where the actual surplus is not between these values.

Variables used in the calculation of the surplus objective have also been averaged over recent years in order to provide stability. It is not expected that the surplus target will need to be changed in the near future unless there are significant changes in any of its variables.