

28/10/2010

Dear Senator Mathias Cormann and Senate Select Committee on the Scrutiny of New Taxes,

Re: The reintroduction of compulsory student union fees

I have previously had the privilege of serving on the University of Sydney Union Board of Directors from 2007 to 2009 and write my submission from my own experience and observations. These opinions are my own and should not be taken as representative of the organisation.

For decades student associations had been propped up with student funds. In 2006 the University of Sydney Union (USU) collected approximately \$8.4 million worth of fees from students. Organisations that depend on such funds, by virtue of compulsion, tend to become lethargic. Before VSU, every student association was guaranteed a considerable sum of money every year - no matter how badly they do, there will still be a pay cheque there for the people who run the organisation and a hefty sum left over to cover up their mistakes.

However not all student associations have collapsed. Those that survived have embraced new sources of revenue, cut back on wasteful and inefficient services, and refocused its activities on providing the highest quality of services for students. USU is a prime example of this, having more than just survived post-VSU. It has restructured its business, realigned services with a greater emphasis on providing to the demands of the majority, whilst at the same time improving food and services. This is no easy task for any business, let alone a business that was dependent on the compulsory acquired funds from students, just for existing.

Arguments in favour of compulsory fees draw attention to the closure of union-run catering outlets as a consequence of VSU. I do not believe this accurately reflects the actual position of student unions. From my experience with the USU, these were closures of inefficient outlets, which were huge financial burdens to the USU. Since their closures USU has eliminated this debt and in fact have gained from subsequent rents from outsourcing. USU has outsourced to companies which have a far greater capacity to service our markets, for example the many new outlets in Manning and the Kebab shop on Level 1, Wentworth, which offers halal food, something that the USU has little capability or experience to do. This has freed up cash resources to invest in other areas. USU has also sought to obtain new sources of income, which hadn't been utilised prior to VSU. These include, but are not limited to:

Sponsorship – which has brought in hundreds of thousands of dollars of funds each year  
The sale of Access cards, along with being a benefit of membership, has also been a source of income.

Closure of non-profitable outlets and gain of rent

Opening of an online store

Acquisition of new property for commercial gain

Whilst USU has tightened its belt, they have shifted their focus onto providing the services they do best – such as Clubs and Societies. Sure, the USU no longer offers ballroom dancing classes due to lack of facilities and funds, but they now offer even more to students, like increased funding for its 200+ clubs.

Whilst the USU is still enduring a deficit as it restructures, the organisation is still in a remarkably strong financial position. Fortunately, for the USU, the university has also

provided generous financial assistance which has greatly assisted the union in maintaining its extensive repertoire of student services and facilities.

Under VSU, student unions are now completely accountable to students. Student unions now have to earn student support and funding through their performance and cannot rely on guaranteed coerced funds. Removing universal membership and a guaranteed coerced income stream has provided the necessary incentive for student associations to become open, accountable, and responsive to the true needs of students. Under VSU, student associations have been forced to work to attract membership and provide services that students actually require and desire. After all, this is the case for every business in Australia, forced to survive purely on the quality of goods and services they provide. From an ethical point of view, VSU has meant freedom of association for so many students who were previously denied that right. Far from silencing student voices, VSU gives all students a voice. VSU gives individual students the ability to choose whether to join and fund a union or not and thus decide whether that student union speaks for them. Compulsory student unionism distorts the voices of students by not giving them the choice of whether or not to join and fund a student union. Whilst cuts have been made students have been given freedom of choice. I believe this to only be a small price to pay for such an invaluable thing.

From my own experiences, I do not believe the reintroduction of compulsory fees will benefit either the organisations or the students.

Thank you for your time in considering my letter.

Regards,