

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 ADDITIONAL ESTIMATES HEARING

Outcome: 2

Output Group: 2.4 – Funding for higher education

DEST Question No. E906_04

Senator Carr provided in writing.

Question:

- a) What are the financial liabilities of the University of Melbourne arising from the insolvency of its Student Union?
- b) Have you discussed this matter with the University?
- c) Will the Union be able to continue to provide services to students? What are the implications for student services and amenities of the Union's being placed into receivership?
- d) How does the University propose to ensure that students will continue to have access to appropriate levels of services?
- e) Are there any legal issues facing the University as a result of these events that might lead to further financial liability? What are these? In what forum will you discuss these matters with the University?

Answer:

University of Melbourne: Insolvency of Student Union

- a) The University has assured the Department that no Commonwealth monies were at risk or involved in the insolvency of Melbourne University's Student Union Inc (MUSUI).
- b) Yes
- c) The University has advised that it worked with student representatives in late 2003 to put in place a new structure to effectively manage and govern the full range of student amenities, services and activities from 2004. In February 2004, the Supreme Court of Victoria ordered that MUSUI be placed in liquidation. The University has also advised that it has taken steps to ensure that all functions previously performed by MUSUI for the benefit of students continue to be provided during the winding up phase.
- d) The University has established a company, MU Student Union Ltd (MUSUL), a company limited by guarantee, to take responsibility for the commercial activities, facilities maintenance, amenities and services budget, employment and management of staff in the Student Union Building and other facilities that had been previously managed by MUSUI. These services and facilities are funded from the amenities and services fee collected from students and the commercial operations of MUSUL. The

University has in place arrangements for the development of a new student representative body in 2004 involving an extensive consultative process and student elections.

- e) No, according to the University. The Department has, and will continue to monitor the financial viability of the University and any issues of concern will be brought up in our regular discussions.