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Sent: Tuesday, 14 June 2005 8:52 PM
To: EET, Committee (SEN)
Subject: Submission To Inquiry into the Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005

I would like to have this submission included in the *Inquiry into the Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005*:

I applaud this move to abolish the onerous and unfair Compulsory Up-front Fees levied upon students around Australia.

Compulsory Up-front Fees perpetuate inequity within the tertiary education sector, are an obstruction to the transparent provision of a University education, and encourage wasteful duplication of services.

Inequity

Compulsory Up-front Union Fees often place the greatest burden upon those students least able to access the services they purport to provide. At urban institutions such as RMIT, The University of Melbourne & Sydney University, the wealth and income level of a student's family are usually decrease the further a student lives from the University. As a result, most of the students who suffer most as a result of Compulsory Up-front Union Fees are the students who live furthest away from the University. At the same time, it is that very distance from University, the commute from the outer suburbs which often takes more than two hours a day, which stops these students from accessing the services & activities funded by the Compulsory Up-front Union Fees. Vice versa, often the students best able to take advantage of what is offered by student unions are those who would be most able to pay going market rates for these services & activities if they were not subsidised by Compulsory Up-front Union Fees. A imposition which requires economically marginal students from areas in Melbourne like Dandenong & Melton to subsidise the beer drinking habits & theatre involvement of privileged students from areas like Hawthorn, Parkville & Armadale is inherently inequitable.

Transparency

University fees should include the total cost of a University education, not just the cost of the dominant component without disclosing a requirement to pay a second charge to a third party (being the student union). If it is true that Compulsory Up-front Union Fees fund services that are truly essential to a University education, then they should be included in the publicly disclosed cost of the University degree, funded through the full fees or HECS-HELP charge made to the student. By disclosing one price, but then levying an additional charge, Universities are engaging in false and misleading conduct in their marketing to students. It could also be argued that the practice constitutes third line forcing under s47(6) of the *Trade Practices Act 1974* (Cth).

I do not suggest by any measure that Universities should provide textbooks, or stationery as these are best provided by the private sector. However, if there are services that are integral to a University education, and if they are not being provided by the market, then is it not logical that they are best provided by the University? Total provision of essential student services by the University will give institutions the ability to pursue management and administrative efficiencies and to best adapt to changing conditions and take advantage of new openings in the market for their services.

The suggestion that Universities are unable to fund these essential services is ludicrous, as most Universities have vast efficiency gains to be found in various different parts of their organisations. Alternatively, if Universities are unwilling to find efficiencies within their vast bureaucracies, they should be allowed to raise fees further, as students will either decide to bear these inefficiencies or move their demand to institutions providing better value for money.

Duplication

My experience, and the experience of most students, is that Compulsory Up-front Union Fees do not go to fund essential services at all, but to fund wasteful administrative staff and duplicate services. Universities

provide public telephones, printing facilities, computer labs and toilets for students, yet student unions often duplicate these and many other university responsibilities, all funded by compulsory up-front fees.

Student unions also operate a large number of businesses in competition with the private sector. Student union owned newsagencies, licensed venues, equipment hire businesses and clinics all duplicate services provided anyway by the private sector, with little or no extra benefit to students. Conflicts of interest abound and office bearers with one year terms are unable to make strategic commercial decisions. Students have to wonder how much of their student union fees are wasted subsidising inefficient businesses and student union mistakes.

For instance, Melbourne University Student Union advertises a "subsidised dental service." Whereas my local dentist will charge any member of the public just \$45 for a checkup, a student with University ID can get a checkup for \$50 at University, and a staff member with ID has to pay \$80. The only students who benefit from this service are the most heavily subsidised, those with Healthcare Cards, who can get a checkup for \$25. Yet even in their case, one has to ask whether or not other students should be asked to subsidise what is essentially a dental welfare scheme for these students.

Suggested Action

I call upon this inquiry to:

- 1) Support the passage of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005 through Parliament.
- 2) Ensure the swift and steady enforcement of the Act once it is passed.

Joel Parsons

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