



Victorian Liberal Students' Association Inc

**Submission to the
Senate Employment, Workplace Relations and Education
Legislation Committee**

**Inquiry into the Provisions of the Higher
Education and Support Amendment
(Abolition of Compulsory Up-front Union Fees)
Bill 2005**

Hamish Jones

Chairman

Nicholas Demiris

Executive Director

Luke Tobin

Deputy Director

Victorian Liberal Students' Association Inc.

Level 2, 104 Exhibition Street

MELBOURNE VIC 3000

Background

The Victorian Liberal Students' Association (VLSA) is the peak representative body for all Liberal Students and all university-based Liberal Clubs in the State of Victoria.

Indeed, the organisation is at the forefront of provoking critical thought and promoting discussion on key public issues, whilst also drawing public attention to the irrelevance of radical, fringe and unrepresentative socialist agendas promulgated by cult-like left-wing student political movements. VLSA is proud to have been at the forefront of the VSU issue, lobbying for the introduction of legislation to restore the rights of students, for over 25 years.

VLSA has, since being founded in the 1980s by the now Federal Member for Casey, Tony Smith MP, been the strongest advocate and supporter of Voluntary Student Unionism (VSU) legislation in the State of Victoria, and VLSA was a strong opponent to the "Voluntary Student Representation" (VSR) legislation implemented by the Victorian Government in the early to mid 1990s, viewing the reforms as positive, but incomplete and far from an acceptable and desirable outcome.

Over the past two years, VLSA has worked tirelessly with other student organisations, including with student representatives from the Melbourne and Monash University Student Unions, to lobby the Federal Minister to introduce legislation to enshrine in law the rights of tertiary students to choose what associations they wish to join and fund.

The current legislative regime offers students choice – the choice to be forced to fund a union even when they do not wish to be members. The current legislative regime is a disgrace, and it serves no purpose but to permit universities to stick their hands into the pockets of hard working students, many of whom struggle to make ends meet. If students don't pay

the compulsory up-front union/amenities/services fees levied by universities, they are precluded from enrolling into their course, and in some circumstances, their enrolment may be terminated.

The introduction of Voluntary Student Unionism is of critical importance to the ongoing reforms required in the higher education sector. VLSA will continue lobbying for the introduction of VSU, as well as policies to protect students from academic bias and returning tertiary institutions to client-focused governance and the first step in this area is to acknowledge research as an important area, but to stem the tide on the neglect in the teaching and learning areas. Students are consumers, and pay for their education; they should be treated as such and afforded rights accordingly.

Student Unions –unrepresentative black holes

Tertiary campuses are microcosms unto themselves, however, unlike the real world, student unions are bastions of socialism, squandering hundreds of thousands of dollars annually on irrelevant campaigns, violent protests in pursuit of obscure, fringe and radical viewpoints. These so-called “representative” student unions are not representative of students, with students choosing not to vote in annual student union elections, and with voter turnout usually less than 2-3% of the student population at that particular campus.

The low voter turnout is indicative of the reluctance of students to get involved in the organisations they are forced to fund; they don't want to be involved, they are disgusted by the wastage of student funds – their money – and they want no part of it. The outcome of the introduction of VSU into Western Australia some years ago demonstrated, as does the research of the National Union of Students, that over 70% of students would choose not to join and fund their student union if they were provided the opportunity. It is unconscionable not to afford students this basic right.

The demise of the Melbourne University Student Union Inc (MUSUI)

What happened at the Melbourne University Student Union Inc is a clear example of why students can't be trusted administering student funds. To suggest that university students - 18 year olds to students in their early 20s - should administer hundreds of thousands of dollars, or in MUSUI's case, an annual budget of some \$12 million is absurd.

MUSUI was placed in provisional liquidation in December 2003 after an application was made to the Supreme Court of Victoria to wind up the organisation that claimed to act in the interests of the 39,000 students at The University of Melbourne.

The provisional liquidator's report cited concerns over the awarding of contracts, the conduct of executives and officers, election rigging and potential insolvency issues that may have arisen from the Optima Property deal - a \$46 million property development deal that would have seen the union enter the student accommodation market. The union was placed in full liquidation in 2004, and is currently being wound up.

In public examinations before Master Evan Evans of the Supreme Court, evidence has been given establishing that MUSUI awarded contracts to companies secretly owned and/or controlled by former Presidents of the student union. In recent weeks, the liquidator issued writs and has indicated he intends to commence civil proceedings against four former Presidents of the student union, all of whom were members of the Melbourne University Labor Club during their time at Melbourne University, in an effort to recover over \$1 million.

The problems at with MUSUI were widespread and staff employed by the union commonly added to, and in many cases caused, its woes. Staff working in the Council Secretariat and directly responsible for assisting office bearers,

would commonly ignore directions, arrive late and leave early and a culture of laziness, complicity and incompetence was clearly evidence.

Problems with staff existed well before recent years of organisational turbulence and other problems included the blatant lack of representation on the part of the union. Whilst the union claimed to be representative, it funded the purchasing of equipment associated with violent protests and the pursuit of radical causes.

From purchasing an axe to break down the Vice Chancellor's door during a violent student occupation of the administration building at Melbourne University (during which confidential files were thrown out of windows) to paying for non-students, and in some cases, professional activists, to travel to, and protest at, immigration detention centres; these are just some of the many areas on which student funds are expended; instead of even attempting to expend fund on student-related issues, student unions choose to spend funds on issues that are irrelevant to their self-proclaimed membership.

Overall, MUSUI's culture was one of secrecy, money wastage, corruption and incompetence – a culture that is most likely not isolated to MUSUI.

Of a budget of around \$12 million, MUSUI used to expend up to \$40,000 on elections, around \$350,000 on student office bearer salaries and honorariums and a mere \$100,000 on Clubs and Societies and around \$110,000 on entertainment. A review of MUSUI conducted three years ago found 70% of funds were being committed to, or expended on, administrative and overhead costs, whilst 30% went to the funding, provision and delivery services and activities that actually benefited students and associated costs.

Melbourne University's failed student union is a clear example of why students should not be forced to fund student unions, and watch their money squandered.

The Victorian Branch of the National Union of Students

The Victorian Branch of the National Union of Students (NUS) is one of the best examples of how student money can be wasted, without scrutiny or accountability.

NUS at a national level feeds off student funds. It does this through charging affiliation fees to student unions, who pay hundreds of thousands of dollars to NUS, who, in return provides 'representation services' to students across the country.

However, aside from providing students with disturbing images of violent protests and producing policy and pursuing radical agendas and campaigns, NUS does nothing for the ordinary, hard working student.

At a state level, the Victorian State Branch of NUS is even worse. With an annual budget of a mere \$6,000, it pays seven office bearers, including a president a total of over \$60,000 per annum. This is an organisation that was removed from its office in Trades Hall and later evicted from its temporary office at Melbourne University. Whilst the Victorian Branch of NUS doesn't appear to even have an office, it's office bearers rack up expenses and get paid a fortnightly roort – all for doing absolutely nothing.

In fact, when NUS Victoria had an office in Melbourne University's Student Union building, in a period of 7 months it was visited only 5 times by two NUS Victoria office bearers. Some office bearers didn't even know where the office was. Indeed, in all of 2003-2004 NUS Victoria didn't actually do anything, let alone doing anything for students. The only thing NUS Victoria

did do in that period was authorise a flyer, which promoted a rally at Melbourne University. This rally turned into an occupation and rebel activists caused thousands of dollars damage across campus, injuring and assaulting others students.

A detailed examination of the funding of NUS Victoria shows that wages and superannuation and associated costs equate to over 85% of the total funding allocated to the branch.

Item	2004	2003
State Funding - Vic	\$11,677	\$6,217
Wages	\$80,001	\$77,058
Fixed Costs	\$1,818	\$19,374
Superannuation	\$7,200	\$6,480
Workcover	\$1,585	\$1,602
TOTAL	\$102,281	\$110,731

***Source:** National Union of Students Inc. Detailed Statement of Income and Expenditure for the Year Ended 31st December 2004*

NUS Victoria is irrelevant to students and it does nothing for students; rather it serves a primary purpose of providing salaries to student political hacks; an examination of its funding demonstrates the gross wastage of student money that occurs year after year. It is, put simply, a disgrace that must be stopped.

The Victorian Branch of the National Union of Students is a black hole, much like its umbrella organisation – NUS. Again, the compulsorily acquired, hard earned money of students is being taken under the auspice of a threat of prevention of enrollment into their tertiary course and handed to an organisation as disgraceful as the NUS.

Some facts on VSU

FACT The following services at Melbourne Uni are provided to students by the university or its subsidiary companies ("university") and the student-controlled replacement of MUSUI ("student union"):

<i>SERVICE</i>	<i>PROVIDED BY</i>
Advisory Service / Student rights	University
Child care	University
Counseling service	University
Employment & careers	University
Spaces / facilities	University
Sport	University
Theatre/theatre groups	University
Orientation Week	University
Short courses / leisure courses	University
Disability support services	University
Legal service	University
Dental service	University
Health service	University
Entertainment	Student Union
"Representation"	Student Union
Student newspaper	Student Union

FACT The only organisations opposing VSU are UNIONS – namely those unions whose over-paid, under-worked staff and officers are getting paid for doing – NOTHING

FACT Students support VSU – this is evidenced enough by the Western Australian model, and also by purely examining the matter fiscally; would students pay an upfront fee if they didn't have to? No.

FACT Students would be empowered – tertiary students are consumers, and they should be afforded consumer rights.

Students should not be forced to pay an upfront fee to fund a union.

FACT Services would not suffer – campus services would be forced to improve and provide *useful, quality and competitive services*. If service provision is of a high quality, students will pay to use that service – they will have an extra couple of hundred dollars to invest in services they use. It is outrageous to think that the ‘subsidized’ services offered by some student unions are not even competitive with the outside market.

FACT Universities would not be burdened. With a recent 25% HECS fee increase, and with the ability to expend consolidated revenue, including HECS fees on any area the universities see fit, the small additional cost of taking on as university-provided services the small number of ‘services’ still provided by student unions. Universities can afford the small additional costs.

FACT Clubs and societies would generate **more** revenue from members with VSU – members would have an additional \$500 to spend on things *they want to spend their money on* – therefore clubs could levy a membership fee, and this could be around the \$15 mark - \$10 more than they would receive in funding, per year, per member, from the majority of student unions.

FACT Voluntary Student Unionism legislation would enforce the basic human right of freedom of association. It is not good enough to purport that the non-compulsory membership, or softer, Voluntary Student Representation model, as existed in Victoria during the Kennett government, is sufficient or appropriate. It is not acceptable to pick and choose whether rights will be infringed as a result of law. To say students can choose whether

to be members, but not choose to pay, is unacceptable, and it is a denial of the most primitive of implications of what should be total and full freedom of association.

Conclusion

The Victorian Liberal Students' Association (VLSA) is one of the most vocal and prominent supporters of the proposed Voluntary Student Unionism legislation in Victoria.

VSU is something that students need, deserve and want. It is a popular platform, and the public, politicians and the media cannot be fooled by the rebel student activists who gather to protest at the drop of a hat.

The same old professional student activists and protestors are not representative of the Australian student population. They are not representative of the thousands of Victorian tertiary students who study hard, work hard and graduate into the workforce. They are not representative of the apathetic students who just want to go to uni, graduate from their degrees and get a job; they don't want to pay for services that they will never use; if they ever do need to use them, they have the choice of looking for the service in a competitive market.

The current Voluntary Student Unionism Bill proposed by Federal Education Minister Brendan Nelson – the *Higher Education and Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005* is something that VLSA fully and unconditionally supports.

The successful passage of this Bill is in the interests of all tertiary students and the implementation of full VSU is a critical element of the required reform of the higher education sector.

VLSA is proud to fully support the provisions of the *Higher Education and Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005*.

Ends