

# Submission

to

Senate Employment, Workplace Relations and Education  
Legislation Committee

## **Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005**

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## **SUBMISSION TO THE SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION LEGISLATION COMMITTEE**

### **1. INTRODUCTION**

La Trobe University Union (the Union) was established in 1972 under Statute 10 of the La Trobe University Act. As per Statute 10 the objects of the Union are to:

- (1) to provide opportunities for social intercourse between all members of the University
- (2) to sponsor and promote social, cultural, educational and recreational activities among members of the University
- (3) to sponsor and promote member welfare and member welfare programs and
- (4) to provide such premises and facilities as are necessary to further the objectives set out in sub-paragraphs (1), (2) and (3) of this paragraph.

Since that time the Union Board, which has the authority of the La Trobe University Council to bring into effect the above objects, has utilized the compulsory General Service Fee to construct premises and establish services accordingly.

The current governance structure within the Union has been the same since the early 1970's, when the Union was established. It has been generally stable and effective, overseeing the delivery of a wide range of quality facilities and services to the entire University community. Currently there are ten elected students and two University Council nominees who comprise the Union Board, administering funds sourced entirely from either the General Service Fee or generated through the Union's commercial operations.

In summary the Union has used the fee to fund a borrowings program that has enabled it to build, the Union Building, a child care centre and the Agora

shopping and community centre. For insurance purposes these buildings are currently valued at over \$25 million. Over the past 33 years the Union Board has taken out loans of nearly \$9 million to finance these facilities and at the end of 2004 the outstanding balance of the loans amounted to \$3.4 million.

The Union has over 40 full-time and part-time staff who work for it together with over 100 casual employees. As the Union is not an incorporated body all of those staff are in fact employees of La Trobe University.

In 2004 the Union received just over \$2.3 million from the compulsory General Service Fee. All enrolled students at the Bundoora campus have the opportunity to become members of the Union if so decide. This process commences at enrolment where students can opt to join the Union or not. Students can also join the Union or resign from the Union at any time following enrolment during their time of study at La Trobe University. Approximately 70% of students are members of the Union.

The primary benefit of membership is the ability to have a say in how the Union is managed through its Board and committee process.

All students are required to pay the compulsory General Service Fee to the University which then allocates that fee to certain service providers one of whom is the Union.

## **2. ASSESSMENT OF THE LIKELY EFFECT OF THE LEGISLATION ON THE PROVISION OF STUDENT SERVICES**

If the legislation is passed in its current format the Union estimates that the \$2.3 million fee income it received in 2004 will fall to approximately \$350,000 with a voluntary fee. This is based on the experience in Western Australia where voluntary fee income fell to about 15% of what it had been previously.

If there was no supplementary funding from the University to cover this shortfall there would need to be a substantial downsizing and re-structuring of the Union's operations.

In 2005 the Union is budgeting to received \$2.4 million fee income and make another \$600,000 in net profit for its trading operations and return an overall net surplus of \$300,000 to transfer to reserves.

In 2006 as indicated above the Union is estimating that fee income will reduce to \$350,000 and net profit on trading operation will be about \$650,000 a total of \$1 million. The Union is therefore facing a shortfall in

revenue of \$1.7 million if it was to cover its expenditure levels of 2005 without even contemplating an allocation to reserves.

This represents a two thirds reduction in expenditure for the Union to maintain its current services.

At risk are the following services:

- Student Information Centre – staffed by 3 employees and student volunteers.
- Union Computer Room – 30 p.cs linked to the internet – staffed by 1 employee.
- 21 place Union Child Care Centre providing free child care on the basis that student parents volunteer their time to assist in child minding activities – staffed by 3 employees.
- Lounge and social activities for international and mature aged students – staffed by 2 employees.
- Student Employment service – staffed by 1.4 employees.
- Entertainment and Events – staffed by 1 employee.
- Campus Radio Station – staffed by 1 employee.
- Student Theatre and Film – staffed by 1.5 employees.
- Tool Library – staffed by 1 employee.
- Publications including daily news sheet and fortnightly newspaper – staffed by 2 employees.
- Union cleaners, technical and maintenance staff who operate, maintain, clean and set up rooms for student users – staffed by 6 employees.
- Union administration staff who support the above along with supporting the profitable trading operation of the Union – staffed by 6 employees.

The total cost of the above Services is budgeted to amount to over \$2.7 million in 2005 but in 2006 as indicated above the Union's income is expected to fall to \$1 million.

The Union is an organization that relies heavily on the General Service Fee for its funding. It is also a body that provides essential services that both the students and staff of La Trobe University have come to rely on. The Union and other General Service Fee recipients have and continue to contribute in a big way to the vibrant campus culture that La Trobe University has been successful in creating over the years.

One of the reasons that the Union has been so successful in implementing services that have become essential to the University is because of its continuing student input into the governance of the Union, creating a culture where students have had the opportunity to have a voice and an opinion on their own and other students' University experience

The implication is that a massive restructuring will have to occur which will see many of the above mentioned employees re-trenched and a significant number of the services closing or being severely curtailed in size and in their availability for students. This lack of availability of services for students and staff will also directly affect the campus culture and the community spirit that exists at La Trobe. Student representation and input into the governance of student services at La Trobe has been a hall mark of these successful student organizations.

### 3. **VICTORIAN EXPERIENCE**

The State Government introduced legislation in 1994 which in essence precluded Universities from funding student political activity and newspapers from the compulsory General Service Fee.

As the Union was and continues to be a non-political service provider the legislation had virtually no impact on the Union.

Michael Torney  
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17 June 2004

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