

University of New South Wales Union

Submission to the Senate Employment, Workplace Relations and Education References Committee

Table of contents

Executive Summary	2
Mission Statement.....	3
Management Structure and Organisation.....	4
Products and Services.....	5
Arguments on the debate surrounding the proposed legislation.....	9
Recommendation	12

Executive Summary

The University of New South Wales Union is one of four student organisations on the Kensington campus of the University of New South Wales. It exists to provide essential services and facilities for students, the greater community and the general public.

The Mission of the University of New South Wales Union effectively supports that of the University. The Union is a professionally run, non-profit organisation made up of paid staff, office bearers and volunteers. All departments report to a democratically elected Board of Directors, which is comprised of seven ordinary members (students), three life members (past members) and three University Council appointees. Best practice management is applied in all areas and the Union's financial management is responsible and annually audited.

Services provided include food, retail, childcare, resources (photocopying, binding, academic dress), conference and meetings facilities and entertainment venues. As the community centre of the University, the Union enhances students' time at UNSW through a wide range of programmes through which members can be active participants, as volunteers, employees or customers. These products and services, which effectively create a community culture, constitute an important component of the University's ability to attract and retain quality students at a time when there are significant financial pressures on students and competition amongst universities.

If compulsory up-front student fees were abolished, it would cause an immediate reduction in the Union's income; our estimate is a loss of some \$5.5 million. Additionally, the loss of the critical mass of membership will also have serious flow-on effects to the Union's operations. Of critical importance is the organisational transformation from a non-profit to a commercially driven organisation that would need to occur if any part of the organisation were to survive. Furthermore, a user-pays environment is diametrically opposed to the existing environment at UNSW, which is based upon a model of mutual support. It is this culture that has allowed UNSW to develop into the vibrant, multicultural community that it is today.

An additional source of income that would be denied to the Union if compulsory up-front student fees were abolished is the Miscellaneous Student Activities Fund (MSAF). The MSAF has been a source of capital development grants since its inception in 1965, funding items such as student email addresses, public liability insurance and student spaces.

We view this proposal as not only a threat to the Union itself, but also one that will have a severe regressive impact on the quality of education and the student experience at UNSW.

This paper provides information about the projected impact of abolishing up-front fees on the Union and addresses the major arguments used to justify the proposal. We conclude that the proposed changes are ill-conceived and unnecessary and will have a disastrous impact on education at UNSW and Australia.

Mission Statement

UNSW Union Mission Statement

**“The Mission of the Union is to be the community centre of the University. Through its programs, services and resources the Union:
Facilitates the education aspirations of the its members;
Enhances their lifelong skills; and
Provides opportunities for their intellectual and social development”**

The Union fulfils its Mission by providing:

1. Student development opportunities;
2. Communal social spaces;
3. Entertainment, fun and social activities;
4. Academic requirements including academic dress, photocopying, binding and laminating;
5. On-campus subsidised childcare;
6. Information referrals including publications;
7. Access to cultural and artistic events;
8. Food/retail services on campus;
9. Orientation and mentoring programmes for students;
10. International student services and events;
11. Internet and computer access.

The Union’s activities clearly complement and support the Mission of the University:

University of New South Wales Mission Statement

**“By providing an excellent educational experience and by achieving:
excellence in research;
international engagement; and
interaction with the community;
UNSW will be an international university of outstanding quality”**

The Union continues to provide the vast majority of programs, facilities and events on campus which:

- Improve student engagement in the university, which itself underpins academic achievement;
- Strengthen student and graduate satisfaction;
- Maximise student retention, particularly amongst disadvantaged students;
- Enhance student’s graduate attributes;
- Provide essential community facilities for research and part-time students;
- Increase the attractiveness of the University for potential students; and
- Generally, create the student experience outside the classroom.

Management Structure and Organisation

The UNSW Union is the major service provider on campus, governed by a democratically elected Board of Directors. The composition of the Board reflects the various stakeholders of the Union; seven of the Directors are elected from the ordinary members of the Union and represent the general student body; three directors are elected from the life members of the Union and represent former members; and the remaining three members are appointed by the governing Council of the University of NSW and represent the interests of the University and its staff. The final member of the Board is the CEO of the Union.

The Union's strategic plan and values support and further the aims of the University. The Union is an integral part of the education process and the proposed introduction of the legislation threatens the well-being of the entire campus. The University appreciates that *a significant percentage of learning takes place outside the classroom*. The vibrant cultural, social and sporting life at UNSW is as much a part of the University's prospectus as the excellence of teaching.

The life skills that are developed at University through engagement with student organisations are as important and as marketable in the workplace as a good degree. Classroom teaching only allows students to develop their communications, presentations, team and other non-academic skills to a limited extent – all of these, however, are skills that can be fostered and facilitated by dynamic student organisations.

The Union employs approximately 380 staff who communicate with the Board through the CEO. The operating budget of the organisation is approximately \$19.2 million per annum, and the Union applies best management practice in accounting, budgeting, planning, human resources, marketing and information technology.

Products and Services

The Union provides a variety of products and services including:

- **Student Development** – UNSW Union operates a number of programs whose major aim is the development of students to enable them to better prepare for employment upon completion of their qualification. Such development programs include Orientation Week, “Shack Tutoring”, “Learning the Lingo” and “Contact” volunteer programs (over 350 volunteers each year) as well as creative development programs and Campus Community Program Grants.
- **Meeting Places and Food Services** – UNSW Union operates and provides 12 food outlets on campus. These outlets provide the University campus with the day-to-day eating and meeting requirements. They provide a diversity of food types: Asian, bagels, Italian café, Thai, fruit juice, smoothies, charcoal chicken, kebabs, sushi, burgers, fresh bread, fish and chips, noodle bars and more. Unlike fully commercial outlets they offer student discounts and remain open in order that food is served until late in the evening. Students may sit in food outlets without purchasing meals. Such a service would not be provided by private operator.
- **Retail and Academic Requirements** – University courses require that students have access to specific facilities that enable them to complete their study and research requirements. As a result, UNSW Union provides many of these services to students. They are able to hire or buy academic dress, photocopy and bind assignments or essays as well as utilise two computer laboratories operated by the Union. There are also a six retail outlets on campus, which sell stationery and newsagency items at subsidised prices.
- **Entertainment, fun and social activities** – The Union is the major provider of entertainment on campus. The regular entertainment program includes all kinds of music, performance and film. The program is focused around the Roundhouse, one of the University’s iconic buildings.
- **Functions** – The Union operates a conference and catering business. Users include University faculties, clubs and societies and off campus business. The catering facilities encompass approximately 15 meeting/conference rooms with capacities ranging from 40 to 2,000 persons.
- **Childcare** – The Union, the Guild and the Postgraduate Board jointly fund Honeypot childcare centre. The management of the centre is the responsibility of the Union. In this centre, students are provided with priority places and inexpensive, flexible, quality childcare.
- **Information & Publications** – The Union co-funds Contact Information and Referral Centre. The Union publishes a weekly student magazine (Blitz) and the annual student diary as well as many other publications. A complementary volunteer program called Oral Blitz, uses student volunteers to announce ‘What’s On’ live in lectures.
- **Access to cultural and artistic events** – It is easy in a technological society to overlook the cultural and artistic aspects of the community. The Union provides opportunities for students to explore their own individual creative potential. The studios are open to members all the

time, creating opportunities for students to be involved in the creative process. Through this program, the Union, on behalf of its members builds up a small collection of art works, organises art and literary competitions, publishes a literary journal, presents weekly film screenings and occasional dance and poetry performances.

- **Student Orientation/Mentoring Programs – “Yellow Shirts”** – As part of its developmental philosophy, the Union has developed and currently manages an extensive student orientation program. The program not only assists new students in their first weeks at University, but also welcomes them to the community. As a result the number of students who drop out during week one of session decreases significantly (week one being the period with the highest drop-out rate). The Orientation Week Program also provides the student volunteer body with the skills and abilities that will assist them in their employment once their studies are complete. The Union further funds mentoring programs for all kinds of students across campus.
- **Student Ambassadors/Campus Hosts** – Volunteers involved with the Union play an official role as hosts for the University on special occasions. These include “Courses and Careers” and other Open Days.
- **Community Volunteering** – Volunteers involved with the Union tutor local high school students, facilitate cultural diversity lessons at local high schools and assist indigenous communities in central Australia.

The Union’s services are particularly important for the following kinds of students:

- **International Students**: the Union provides student development programs, recreation activities, social spaces and computing facilities, amongst other services, designed primarily for international students.
- **Aboriginal and Torres Strait Islander Students**: the Union has funded various activities involving specifically Aboriginal and Torres Strait Islander Students, including the National University Aboriginal Sporting Tournament.
- **Postgraduate Research Students**: many of the Union’s services, including the extended operating hours of food and retail outlets, computing facilities and childcare provide for postgraduate research students.
- **Disadvantaged Students**: many of the Union’s services, including student development programs, orientation week and mentoring programs are catered specifically for disadvantaged students.

Some of the Union’s key achievements in brief are:

- The Union runs 13 volunteering programs coordinated by 450 volunteers
- The Union runs 22 leadership, employability and professional development skills programs saving members \$491,000 if these programs were accessed privately.
- Over 20,000 members attend Union events and entertainment functions annually.
- Over 20,000 members use Union facilities as a communal social/study space annually.

The Impact of the Abolition of Compulsory Up-Front Student Fees

Based on the Western Australia experience, UNSW Union projects a substantial negative impact on all aspects of our operations.

We anticipate that:

- Membership will be reduced from 26900 paid ordinary members to 4,030 (with a 66% decrease in dollar fees) in the first year.
- Membership income will be reduced from \$6,047,500 to \$515,000 in the first year.
- Immediate income reduction from \$19,300,000 to \$13,700,000 in first year. Further reductions that are anticipated in years two and three are not able to be sensibly quantified.
- Job losses estimated 150 to 225 persons in the first year.

With reference to the description of products and services on prior pages, projected impact of the legislation is as follows:

Student Development

The existing programs are not self-funded and cannot operate as financially sustainable concerns.

Under this proposal, Student Development programs would cease to exist in the first year.

Food Outlets

Because of the nature of the student population and the academic year, profitable operation is limited to 28 weeks of the year for only six hours per day. Currently the Union operates 51 weeks of the year including evenings and weekends. The Union, through these outlets, employs a large number of students (approximately 150).

We anticipate ten outlets being reduced by at least two. Those outlets which remain open would not trade other than in session at lunchtime. As a consequence, food prices will rise significantly and there will be a large reduction of student employment, as well as a loss of convenience and sense of community. It is also estimated that the loss of direct student discounts on food and retail would be in the order of \$600,000 per annum; and the loss of indirect student discounts arising from extended operating hours, diversity of food offering and location in the order of \$1m per annum. Most importantly, the outlets will not be able to provide communal social space.

Entertainment and Social Activities

Currently many activities are free or subsidised for members.

Under this proposal activities would be limited to profit making events. Door admission prices would have to be charged and the frequency of entertainment on campus would be reduced with some events being cancelled altogether. There would be a loss of student employment and a sense of community.

Academic Requirements and Resources

The result of this proposal would be a decrease in the variety of services offered and the loss of student employment. Services such as photocopying, binding and hire of academic dress would only be offered on a commercial basis which would result in a significant price increase. There would also be significant increases in the cost of other services; for example it is anticipated that the cost for the use of computer laboratories and internet access would double.

Child Care

We anticipate that the price of childcare would increase significantly. Further, the Union currently offers sessional child care spots, as well as long day care spots; and these sessional spots, which are attractive for parents, would need to be cut. Finally, as a result of this proposal, a number of parents would withdraw from higher education and a greater number of parents would have an increased debt by the time they graduate.

Information

The Contact services, which are staffed entirely by student volunteers, would, as a result of this legislation, be one of the first services to close.

Publications

The Union's Literary Journal and International Cookbook would not be published.

Access to Cultural and Artistic Events

Non profit and/or subsidised events such as Arts Week, literary prize, literary journal and potter-in-residence would be closed. The Union also financially assists Clubs and Societies to hold events.

We anticipate that none of the services that exist under this program would survive. As a consequence the attractiveness of UNSW to local and international students would be further diminished.

Student Orientation and Mentoring Programs

UNSW's "Yellow Shirt" Orientation program is the best in the country and is a significant component of the University's competitive advantage. It is approximately 20% funded through sponsorship and is run by circa 130 student volunteers.

Under this proposal the "Yellow Shirt" program would be severely limited, and it would be increasingly difficult to garner the volunteer support of students in this program with the anticipated change in focus of the Union from community minded to commercially driven.

Community Volunteering

Under this proposal, community volunteering programs would cease immediately

Arguments on the debate surrounding the proposed legislation

Since 1822 throughout the world and long before the establishment of trade unions, students have gained the right to manage their own campus based student organisations. Students are the major stakeholders in these organisations and their rightful owners. One of the great strengths of student organisations is their ability to add value to products and services through their volunteer input. In this the organisations draw parallels with schools, social clubs, sporting associations, community and charitable organisations.

Similar legislation to the proposed changes have been proposed by conservative Governments, and dismissed in the past 20 years in United States, United Kingdom and in Australia, with the exception of Western Australia and to a limited extent Victoria. Variations of this legislation have always been rejected and for sound reasons. The arguments are many; those most relevant to UNSW Union are considered below.

Students don't want this legislation

The proposed reforms are being driven by the current federal government of Australia with no visible demand from tertiary students. Claims from right-wing student organisations that they speak for the whole student population are simply not true. There is no demand for this legislation from any key stakeholder groups – Australia Vice Chancellor's Committee, National Union of Students, Australia Campus Union Managers' Association, Council of Australian Postgraduate Associations and the National Tertiary Education Union. This list is by no means exhaustive; many local community, alumni and businesses also support the continuing existence of their student organisations.

It might seem anomalous that we submit that students don't want this legislation even though we predict membership and membership fee revenue to decline significantly. We submit, however, that there are three good reasons why the arguments are consistent. First, the value of community is non-quantifiable and, therefore, difficult to market for students. Secondly, students may not pay up-front fees for services even though they get value for money in the long run. This is because the evidence shows that students make irrational decisions when confronted with short-term/long-term economic dilemmas: people will put off 'pain' in the short-term, even though it means more 'pain' in the long-term. As regards community services, people will irrationally not pay a one-off fee, even though they would gain value in the longer-term. Thirdly, many non-academic services are non-excludable public goods, which leads to a free-rider problem.

Student Organisations are professional efficient, practical and effective

UNSW Union is managed by a professional management team and staff who report to a democratically elected Board of Directors. Operating surpluses are re-invested back into the campus community to provide subsidised and services and new infrastructure. Financial accounting is modern, transparent and complies with all Australian auditing standards as well as reporting to a University based audit system. Efficiency is not necessarily about profits; in our organisation it is primarily about utilisation of resources. UNSW Union, through its proximity to its target markets and its use of volunteers, is a highly efficient organisation. The Union has numerous membership feedback schemes including customer service feedback forms, regular surveys and enforced complaint handling procedures.

A fundamental shift from no-profit to commercially driven objectives has serious ramifications for the Union. Many of the free or subsidised programs are resourced via a dedicated volunteer base. This input represents value-adding from the membership (in human resource-hours). It also involves a transfer of knowledge from staff to volunteers, providing student volunteers with a valuable learning experience in a mutually supportive environment.

Under the proposed legislation, the volunteer component would cease, leaving the Union with no choice but to cut all non-profitable services.

A “User Pays” regime is impractical

The UNSW Union provides a wide range of services to the UNSW community. Many of these services, like childcare, affordable food and retail, and student support, are essential services, without which many students would be unable to afford to attend University. These services cannot be run on a commercial basis while remaining affordable to students.

Other Union services, such as entertainment, cultural events, volunteer opportunities and publications, provide a sense of community and belonging to those who study at UNSW. Some students may not care about the presence or absence of a student community. However, for those who do, the presence of student community is a significant factor in their remaining at University. Students from disadvantaged backgrounds, minority groups, students with disabilities, as well as those who are socially timid, have a particular need for a welcoming campus community. If users had to pay for the privilege of participating in the University community, participation rates would drop severely, and the community which the Union seeks to create simply would not result. This would particularly affect students who need campus community and would result in a rise in attrition rates.

The user pays philosophy is diametrically at odds with the culture of the mutual support that exists at the University of New South Wales, and is so attractive to local and overseas students. It is nonsensical to conceive of charging commercial rates for many of the services which the UNSW Union provides; in many cases, they are services precisely because they occur for free or substantially reduced rates.

Freedom of choice

It is argued that Compulsory Student Unionism removes students’ freedom of choice and/or freedom of association in forcing them to become members of student organisations. This analysis neglects features of the Union that make it more akin to a governmental body than a corporation selling services, and overestimates the importance of freedom of association.

The Union provides essential services, without which some students would not attend university. These essential services are subsidised by the funds of every Union member, whether or not they choose to make use of these services. In this manner, the Union is akin to a governmental body, providing essential services subsidised by the taxpayers’ dollar, regardless of whether or not the individual taxpayer chooses to make use of those services. Not all government services are used by (or even available to, in the case of welfare and special-need services) the entire population, that does not alleviate the responsibility and burden of the general populus to pay their taxes. To do so would be discriminatory and inequitable to those who require particular services.

Freedom of choice and accountability are important in a democratic society, but not necessarily more important than other ideals, such as equity, diversity, community and pluralism. The Union

promotes these ideals through its activities, while retaining the students' democratic right to elect Board Members and have a say in where their money goes. To argue for the abolition of compulsory student unionism on the basis of freedom of choice or association neglects other important ideals.

Further, the argument about freedom of choice fails to account for the freedom of a community to determine the conditions for entry. The Federal Government has recently allowed universities to increase HECS fees by up to 25% - in recognition of the fact that universities ought to be able to charge more if they want to provide better services. Compulsory up-front student fees are precisely in line with this system; allowing universities to choose to charge every student for non-academic services which they consider essential for the university experience.

Finally, membership of student organisations is not currently compulsory. Students have the choice not to associate if they are a conscientious dissenter; although they must still pay a non-academic service fee to the University.

Conclusions

The proposed legislation will have serious negative effects on tertiary education. These effects will include:

- A reduction in campus facilities and culture, making Australian higher education less attractive to local and international students.
- Increased attrition rate of enrolled students. Student retention is directly linked to student support and the presence of a university community. UNSW Union is the principal provider of this community in which students can participate.
- An increased financial burden on Universities, who will have to pick up the cost of providing essential services currently undertaken by student organisations. If universities failed to provide these services Higher Education would become inaccessible to those who require such essential services.

Recommendation

Given the disastrous and unreasonable effect that the introduction of this proposal would have on the provision of services and facilities at the University of New South Wales, we recommend the Senate committee not support the abolition of compulsory up-front student fees.