

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

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

Submitter: Justine Atkinson, Research Assistant
Authorised by Carl Harris, President

Organisation: Newcastle University Students' Association

Address: NUSA Building
University of Newcastle
Callaghan NSW 2308

Phone: (02) 4921 6006

Fax: (02) 4921 7779

Email: nusa@newcastle.edu.au

The Newcastle University Students' Association (NUSA) welcomes this opportunity to submit to the Senate Employment, Workplace Relations and Education Legislation Committee the concerns it has regarding the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005 currently before Parliament. Although this will not be the first time that the prospect of Voluntary Student Unionism (VSU) has come before a Senate Inquiry, we feel that this latest version of VSU will be particularly harmful to the quality of study and campus life for many university students. The financial burdens imposed would be severe, however it is the impositions placed on student bodies' capacity to represent their constituents that is the greater concern.

NUSA would like to address the two terms of reference in the reverse. We will start with the experiences of Western Australia and Victoria, so that when we come to address the effects of the most recent VSU proposal then the severity of Dr Nelson's Bill may be more apparent, in comparison to that which has gone before it. When addressing the effects and related consequences of the Bill, NUSA will focus on how they might manifest at the University of Newcastle.

Opposition to VSU (and support for student organisations)

Before reflecting on the experience in Western Australia and Victoria, and speculating on the effects of VSU on this students' association, NUSA would like to remind the Committee that VSU is not a popular undertaking, as indicated by the positions of various representative bodies in the higher education sector. In their submission to the Senate inquiry into the Higher Education Legislation Amendment Bill 1999, the Australian Vice Chancellors' Committee (AVCC), National Union of Students (NUS) and National Tertiary Education Union (NTEU) voiced their opposition to VSU.¹ The AVCC viewed VSU as unconstitutional, unnecessary and a threat to "essential services" whose loss would be "to the detriment of the quality of university life".² NUS has long been devoted to the principle of "student control of student affairs" and was strongly opposed to any attempts to remove said control. They stressed the impact of VSU on: student input into university policy and committee decisions; the provision of subsidised services, advocacy and welfare; various equity groups such as women's and international; and community enhancement in regional and rural areas. The NTEU not only noted the threat to student associations, which they recognise as an important accountability mechanism within the university, but also the implications to those NTEU members who work for student organisations. At the time of the inquiry, the AVCC recognised student organisations as "an integral part of university life", and universal membership as an assurance that student organisations could continue their essential role in the university community.³ All three bodies pointed to the experiences of Western Australian student guilds to emphasise the dangers of VSU.

¹ AVCC, "Higher Education Legislation Amendment Bill 1999 Issues of Concern to the Australian Vice-Chancellors' Committee", 1999, http://www.avcc.edu.au/policies_activities/teaching_learning/students/avccvsuweb.doc; NUS, *Submission to the Higher Education Legislation Amendment Bill Inquiry*, <http://www.unistudent.com/uploads/nus/resources/NUSVSUSubmission.pdf>; NTEU, *Submission to the Senate Employment, Workplace Relations, Small Business and education Legislation Committee Inquiry into the Higher Education Legislation Amendment Bill 1999*, 1999, <http://www.nteu.org.au/freestylert/gui/files/file3bfaf24625c03.pdf>

² AVCC, "For Reasons of Practice and Principle VSU Should be Rejected", AVCC Media Release, 7 May 1999, http://www.avcc.edu.au/news/public_statements/media_releases/1999/99mr15.htm.

³ AVCC, "Student Organisations: A Policy Paper", 1999, http://www.avcc.edu.au/news/public_statements/publications/stuorg.htm

Consideration of the Experience of Universities and Students where legislation has been adopted to regulate student unions, such as in Victoria and Western Australia

VSU in Western Australia

Originally VSU in Western Australia was exactly that: students were under no obligation to become members of the student guilds, and universities were under no obligation to collect membership fees for the guilds. This had a crippling effect on the guilds by 1999, with membership dropping to 30% at Curtin and UWA, and 35% at Murdoch. At Edith Cowan membership dropped to 6% and the guild eventually went into liquidation and receivership. These figures were despite the fact that guilds attempted to attract membership by lowering fees. The drop in income led to a drop in guild staff by half and many services were discontinued. With any supplementary government funding being abolished in 1997, it was left up to the universities themselves to find funding to prop up their guilds.

Contrary to Senator Abetz's recent statement that the "campus flourished",⁴ the introduction of voluntary student unionism in Western Australia brought about reductions and losses in services. These services included education and welfare advisers, advocacy to appeal university decisions, cultural events, resourced parenting rooms, student newspapers, orientation programs, clubs and societies, sports services and intervarsity, emergency loans, disabled students departments, subsidised catering, personal accident insurance, sexual assault referral services, accommodation advice, campaigns and projects for women and international students, postgraduate support, research resources and regional campus funding.

Fortunately for the WA student guilds, VSU legislation proved so unworkable that it was eventually repealed. Now students must pay fees, but may opt out of joining the guild, in which case those fees will be directed elsewhere. This has seen membership restored to 80% in most cases, with only the "hard line advocates of VSU" refusing to join.

VSU in Victoria

Under Victorian VSU students must pay a membership fee, and this membership fee must be passed on to the student organisations. However, these fees cannot be used for any activity which the university deems "non-allowable". This is totally unacceptable to those who hold by the principle of "student control of student affairs". Much of the restrictions that this version of VSU imposed have been relaxed over time. However, in its strictest form Victorian style VSU saw an end to student newspapers, affiliations to other student bodies, honoraria, clubs and societies, welfare services, research staff and student elections at some universities. Under such conditions, student organisations could not fulfil their role of student advocacy and representation.

Assessment of the likely effect of the legislation on the provision of student services, and related consequences

At the University of Newcastle's Callaghan Campus, there is a split student organisations structure, consisting of the Newcastle University Students' Association (NUSA), the Newcastle University Postgraduate Students' Association (NUPSA), the University of

⁴ *Australian Senate*, Questions Without Notice, 16 March 2005

Newcastle Union (UNU) and Newcastle University Sport (NUSport). At the Central Coast Campus, a guild structure has been in place since 1994 (now Campus Central, formerly the Central Coast Campus Union). The introduction of the VSU, as embodied in the Bill as it currently stands, would seriously affect these organisations' ability to provide representation and services to their students, as was the case in Western Australia.

Financial Effects

NUSA is the representative body for undergraduate students at Newcastle. Not only do we provide advocacy, but we also offer services to help ease the day to day financial difficulties that students face. Figures from last year's income and expenditure statement for December demonstrate how NUSA would be affected financially if the model of VSU proposed by Nelson were introduced. The worst case scenario would be a drop in membership to 10%, maintaining the current fee levels, and heavily reducing services. If NUSA were to reduce fee levels by one third, it might expect a 30% membership, using the experience of Western Australian student guilds in the 1990s as a benchmark. It is assumed that external students would opt not to pay membership, as many of the services provided by NUSA are on campus, however the table below has not factored them out of the equation.

Fees	2004	2006 estimate 10% membership, current fee rate maintained, services reduced, staff reduced	2006 estimate 30% membership, current fee rate reduced by 1/3
Total fees includes externals excludes postgrads	739,967	75,000	150,000
Total income	919,721	150,000	225,000

The drop in funding would mean that many of our commercial services would have to be discontinued, as we are a not-for-profit organisation. In Western Australia the universities themselves relieved the guilds of some of the burden, not only with financial assistance but by taking on the administration of some services. How open the University of Newcastle may be to this depends on its own financial situation. Although the table below suggests a possible transfer of services to either the University itself or the UNU, it must be remembered that the University is suffering from a large deficit at present, and that UNU will also be trying to cope with VSU, hence many of these services may simply disappear all together.

Discontinued services under proposed VSU:	Possible transfer to? :
Clubs & Societies funding	University
free Condoms, lubricant & dams – promoting safe sex	University – Health Service
Cost price time-tens	Union
Floppy disks	Union / University – IESD
Food Cooperative / Fruit n Vegie Coop	-----
Free food for student in need	University – Student Support / Chaplaincy
Free insect repellent and sunscreen application	
Free lunches	
Free recycled lecture pads	University – IESD

Passport photos	Union
Scratch n display daily parking tickets	Union
Student loans	University – Student support
Typing service	University – Learning Skills unit
Printery Services:	
binding,	Union / University
CVs and resumes	University – Careers & Student Employ
desktop publishing and design	Union / University
guillotines	Union / University
laminating (up to poster size)	Union / University
Lecture notes and course readers	University – outsourcing?
Photocopying	Union / University
Printing colour/b&w	Union / University

Cheap Services

NUSA provides a wide range of much appreciated services for students (\$81,400)⁵, that are either heavily subsidised or free. There is free food (all day cereals and toasts, weekly barbecues, a relatively self-sufficient fruit and vegie co-op), condoms, sunscreen, insect repellent. There are cost price bus tickets and passport photos, and subsidised course readers, computer and printing services. The purpose of these services is not to compete with the other service providers on campus, but to genuinely offer alternatives for cash strapped students, and some relief when there can be days when scraping enough money together for the bus fare can be difficult. These services and others would no longer be provided by NUSA with the introduction of VSU currently proposed.

Wages and Honoraria

With such a large drop in funding as demonstrated above, and the reduction in services that ensues, NUSA would have to consider cuts to staff. At present NUSA employs five full-time staff, one permanent part-time and two full-time casuals (\$190,000). Although NUSA has made provisions in the 2005 budget in anticipation of redundancies, if VSU is introduced, the actual model adopted, and when it is actually approved in the Senate, will affect notification and implementation of redundancies, so that there is the chance this may eat into the 2006 budget. If NUSA were to transfer some of its services to the University, such as the Printery, it is hoped that any staff who wish to continue working in those services would be welcomed as part of the transfer.

Student Loans

NUSA currently offers emergency student loans of up to \$200. These are usually available to the student the next business day after they have applied, and can be for anything apart from the GSC. Under VSU NUSA would have to abolish loans. This could be absorbed by the University's Student Support services, who already provide loans to students.

Clubs and Societies

Between forty to fifty clubs and societies affiliate with NUSA each year. NUSA has budgeted \$20,000 to Clubs and Societies for 2005. These include international students, faculty/school oriented and special interest groups. Through this affiliation they receive such benefits as subsidised losses on functions, library grants and stationery reimbursements. It must be remembered that the opportunities to socialise, provided by these clubs, are not so

⁵ All expenditure estimates will be rounded to the nearest \$10,000.

trivial a thing as has been debated recently in the Lower House. Loneliness is a very real and detrimental condition for many students, both international and Australians living away from home. Clubs serve an important role in helping students overcome homesickness and loneliness which can seriously affect their studies. With VSU, NUSA would have to reconsider what sort of funding can be offered to clubs, probably eliminating library and stationery funding and limiting the amount of funding available for functions. The effect on clubs and societies is difficult to estimate. Clubs may no longer affiliate if they cannot see the benefits. Smaller clubs may disappear into the wood work altogether. Alternatively, this service could be transferred to the University.

NUSA Building

The move in 2003 into its own building on campus has allowed NUSA to provide students with a Women's Room, a Queer Space, an office for the International Students Department and free meeting space available to students during office hours. There is a kitchen area where free breakfast and lunches can be prepared for students, and there is room to operate NUSA's nutritional health program (ie. weekly fruit and vegie coop). NUSA computer and printing services have also expanded. Financial constraints may mean that NUSA would have to consider subletting much of this space to commercial providers and once again restricting ourselves to a small office space; or accepting repayment from the University.

UNU

The UNU's main role is that of service provider. It provides catering and entertainment services to Newcastle students, as well as a second hand book shop, stationery shop, post office, computer and printery services, academic dress hire, venue hire; and leases space out to a dentist, travel agency and hair dresser's. As the recipient of the largest portion of the General Service Charge, with the most lucrative services, and the ability to sell services to the wider community as well as its members, the UNU, on the surface, appears to be the most able of all the student bodies to cope with VSU. However, this is not necessarily the case when one considers that those university guilds in Western Australia who promoted services over advocacy received a smaller intake of members.⁶ To compensate UNU may need to make price rises or cuts to services. The UNU currently employs around 200 staff, and redundancies may need to be considered. All this is without factoring in 19-37(3)(b) of the Bill before Parliament, regarding services supplied by other suppliers. Should this happen, the UNU may not only lose profits, but its members would lose the valuable right they currently have, to control the services provided. As was demonstrated in 1999, if students are unhappy with the price of beer and chips, for example, they have the power to change the situation democratically, by calling a general meeting and voting that a motion to raise prices be rescinded.⁷ This right could be removed if services were provided by external providers.

NUSport

NUSport currently has a \$5.1million loan with the University. Repayment of the loan could be adversely affected by the introduction of VSU, however NUSport has recently entered into a service level agreement with the University, which should provide security. NUSport is somewhat disadvantaged by the attitude of many that a sports union is irrelevant to students' studies, hence why should they pay for it. This is despite the fact that NUSport offers a range of programs such as yoga, pilates, first aid, which demonstrate that it is about students staying

⁶ Graham Hastings, *VSU Legislation Experiences in WA, Victoria and Federally*, draft version, October 2004.

⁷ NUSAC, *Minutes of NUSAC Meeting*, 14 September, 1999.

fit and healthy while studying. If an adult constantly sits in front of a television or a child in front of Playstation they are warned of the dangers of obesity. However, if a student sits at a desk on a regular basis for three to five years of their life, physical recreation is somehow deemed irrelevant. NUSport is in partnership with the Forum Sports and Aquatic Centre. The services the Forum provides, such as the gym and the olympic pool, are for the wider community as well as for students. NUSport's portion of the General Service Charge allows it to provide discounts for students to enjoy these services. However, a decrease in membership under VSU may mean that they would have to increase fees in order to maintain these discounts. As with the social clubs provided for by NUSA, sporting clubs could also suffer cutbacks under VSU. As membership decreases, there is a danger that NUSport and the Forum may become more and more community focused, and less interested in the physical welfare of students.

Guilds

All student organisations in Western Australia had a guild structure when VSU was introduced. This meant that the commercial resources of the service providers could assist in sustaining the representative activities. The conditions of the new Bill, however, make the survival of even these commercial resources increasingly difficult. In Victoria, as is the case in NSW and other states, many student organisations have a split structure, rather than a guild. However, under the Victorian model of VSU money was not the issue, and so the ability of split structures to survive under the financial constraints of the proposed VSU has never really been tested. Amalgamation into a guild would be problematic for the student bodies involved here at Newcastle. For NUSA the greatest risk is that the Association's ability to provide advocacy for its students will lose potency if the drive for commercial services becomes dominant. Of course, debate over the pros and cons of a guild structure may prove a moot point if Nelson commercial services had to be tendered to private providers.

Socio-Political Implications

Although student activism was severely reduced by the WA legislation, it managed to hang on with the help of commercial services and assistance from the universities themselves, and clawed its way back once the legislation was amended. The recent education reforms have already made it more difficult, or at least hypocritical, for universities, now more reliant on rises in HECS and full up front fees, to come to the financial aid of organisations that oppose those rises. Now the VSU model being proposed may remove student run commercial providers altogether, and starve welfare services and activism of all funding other than membership fees.

So far this submission has tended to consider VSU from the point of the financial implications for student organisations. The effect on these organisations' operations, flowing on from the financial constraints, have serious implications on the quality of study and campus life for students at Newcastle. Already the threat of VSU has adversely affected student welfare, with NUSA having to put on hold expenditure to renovate office space for a food co-op that it has been planning for the last two years. Over the years NUSA has fought to provide a train station, resist the introduction and increase of parking fees, and to maintain library services. In the last twelve months, with the assistance of the other student organisations and community groups, we have launched a campaign against recent outbreaks of racism in Newcastle. This included a group effort between NUSA and the community

Migrant Resource Centre to hold public meetings welcoming Sudanese refugees, in answer to attempts by a white supremacist group to vilify them. We have always supported the university staff unions in their campaigns for better conditions for staff, as these logically flow on to better conditions for students. NUSA is now the only body on campus that can give independent advice and assistance to students with university grievances. Student-prioritised childcare is another campaign currently being run by NUSA. At other universities this is a necessity that has already been achieved by their student organisations. Every campaign has taken months, sometimes years, of lobbying to succeed, and constant vigilance to maintain. This is not possible without the organising power that VSU denies us. Clubs and societies make up 4% of the \$29.12 per full time student per semester that NUSA receives. Portfolio activities make up 13%. The main purpose of NUSA is to lobby for its students, whether it be with issues such as course rationalisation and staff cuts, that affect the student population en masse, or whether it be helping individual students who come to us with grievances. These campaigns are run not for political gain of NUSA's, but because the students ask for support.