

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

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1. BACKGROUND

La Trobe University does not compel its students to join a student union, student association or similar organisation. However, students are able to join a student union or similar organisation on a completely voluntary basis.

The University received approximately \$6.852 million from a compulsory University fee, titled General Service Fee (GSF), in 2004. The General Service Review Committee, a sub-committee of the Council Finance and Resources Committee recommends the GSF amount based on an annual review. This General Service Fee is then endorsed by the University Council.

The University subsequently enters into a funding agreement with providers (some of which include student associations) to provide a wide range of services for the student body, on its eight campuses. Funds are not provided to these providers unless the annual agreement is signed and submitted with an audited financial statement for the previous year.

La Trobe University commenced operation in 1967 and since its inception has relied on the compulsory General Service Fee to provide a comprehensive range of student services. If this facilities and services fee becomes voluntary, relying upon the Western Australian experience, income levels could reduce by 85% to 15% of what was previously collected. In other words the \$6.852 million that was collected in 2004 will reduce to approximately \$1 million in 2006. As a consequence the University will be faced with either finding the \$5.8 million shortfall from other areas or closing those services, with a resultant impact of needing to retrench upwards of 100 full-time and part-time employees, and

terminating the employment of 200 casual employees and depriving students of much needed support services.

At the University's Bundoora campus the Children's Centre, the Sports Centre and the student Union buildings have been almost entirely funded by the General Service Fee at a combined historical cost of \$ 10.5 million. These building have a replacement value in the order of \$2 million, \$9 million and \$25 million respectively. Similarly at the Wodonga campus, the Wodonga Students' Association building, "The Hangar", was partly funded via the La Trobe University and the Wodonga TAFE General Service Fee and is valued at nearly \$1 million. Attached to this submission are photographs of some of these facilities (Attachment 1). If a compulsory General Service Fee had not been available some of these buildings would not have been built and the services that are housed in them may not have been provided nor could the 100 plus full-time and part-time staff who are currently providing the services be employed. If the current legislation is introduced it will restrict further capital work and the maintenance of these buildings becomes a liability for the University.

1.1 Services

Examples of the services that are supported by the compulsory General Service Fee across all campuses are as follows:

- Advocacy advice for students
- Child Care Services
- Clubs and Societies
- Computer rooms
- Counselling and Careers Advice
- Entertainment and Events
- Legal Service
- Lounge and catering facilities
- Medical and Dental Services
- Orientation for new students
- Radio Station

- Sporting facilities and support for sporting clubs
- Student Diary and Wall Calendar
- Student Employment Service
- Student Information and Referral Centres
- Student publications including daily information sheets
- Student Theatre and other Arts related activities
- Support for International and Mature Aged Students

1.2 Regional campuses

La Trobe University is a major educational provider to regional Victorians with six regional campuses. It has campuses not only in Melbourne but at Bendigo, Shepparton, Mildura, Wodonga, Beechworth and Mt. Buller. These regional campuses range in size from approximately 5000 students at Bendigo to approximately 100 at the Mt.Buller campus.

Attached is correspondence recently received from Ms Wendy Opresnik, the President of the Shepparton Students' Association detailing their most immediate concerns (Attachment 2). Due to the campus size student facilities are very basic. As the campus develops as planned and student numbers increase, student facilities will improve. If however this legislation is enacted the aspirations of these regional students will be diminished.

Regional campuses are often located at a distance from the central business and shopping hub of the regional centre. Student Services then play a vital role in ensuring regional students have readily available a range of necessary services.

Carina, a student from the Wodonga campus indicated that to access a local service utilizing public transport could take in the order of two hours travel time there and back from the campus.

It is also instructive to note a private provider commenced a coffee van business at one of the regional campuses in 2004, there was no direct

competition for this service and it was highly valued by both students and staff. This commercial operator has incurred significant losses and will be withdrawing the business from the campus in the near future.

1.3 Dual Sector Organizations

Whilst La Trobe University is not a dual sector education provider the Wodonga campus of the university is co-located with the Wodonga TAFE. These two education providers are committed to providing the best outcomes for the students by maximizing opportunities to collaborate and creating efficiencies in service provision where possible; this approach is consistent with Commonwealth directional advice for both sectors. In this context the Wodonga Student Association (WSA) caters for both TAFE and Higher Education students. The WSA services are located in the one building 'the Hangar' (see photo Attachment 1) and is a vibrant hub for socializing, accessing vital support services and providing a haven for students often isolated by distance from their homes. If VSU legislation is introduced, the WSA will be able to collect a compulsory fee from the TAFE students but not the Higher Education student. In whatever way we envisage attempting to manage this inexplicable difference, students will be divided and labeled and inevitably treated differently.

1.4 International Comparisons

The Senate Committee is asked to note that major international Universities charge substantial service fees to ensure that quality services are provided on their campuses. The amounts compulsorily levied are significantly larger than the highest GSF in any Australian University. If the Federal Government passes this legislation Australia will become the only country in the developed world where universities cannot levy a compulsory fee for campus services.

1.5 Optional Student Membership

In regard to "freedom of association" students already have the option to join the various student organisations and as the La Trobe's Vice-

Chancellor, Professor Michael Osborne has stated, “this can be enshrined in any form of compulsory fees set to support the continued availability of a range of services and activities”(Attachment 3).

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

2.1 Resource allocation

The likely effect of the legislation, if it is passed in its current format, is that the majority of the services as detailed above will disappear. The University will be forced to review its priorities which could eventuate in re-directing some resources from the other important activities of the University. Given the difficult financial circumstances that most Australian Universities are experiencing it will not be possible for the \$6.852 million that will be foregone by this legislation to be found in 2006 to offset the loss of the General Service Fee.

2.2 Reduction of available facilities and services

The legal advice to hand indicates that the University cannot proffer a voluntary fee for students to replace the existing compulsory fee. The legislation by stating that an “education provider must not require a person enrolled with, or seeking to enroll with the provider, to pay to the provider or any other entity an amount for the provision to students of an amenity, facility or service that is not of an academic nature, unless the person has chosen to use the amenity, facility or service¹” means that universities will need to identify each amenity, facility or service that is currently funded by the compulsory General Service Fee and allocate a separate charge for those services. In La Trobe University’s case this will mean that students will have to choose from perhaps up to 50 different services that they may wish to access and fund. The administration and monitoring of this activity will be cumbersome and expensive.

¹ Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union Fees) Bill 2005

If this legal advice is valid it will be impossible to determine whether these services will be supported by students until after the event. The Government has argued that if a service is worthwhile it will be supported by students and they will pay a voluntary fee. Given the WA experience noted above, universities will be loathe to gamble on enough students finding a service so attractive that they will voluntarily pay a fee. Therefore even if Universities can charge a voluntary fee to replicate the compulsory General Service Fee it will still be untenable as a stable base for funding these services, universities will not be prepared to underwrite the costs with no certainty that these costs will then be returned through voluntary fees. Consequently the service will discontinue and thus students will not be able to choose to financially support it even if they so decided. As Professor Osborne has said “this legislation will if anything inhibit association by despoiling universities of the very facilities that encourage social interaction”. (Attachment 3)

3. CONSEQUENCES

The consequent loss of student services will have a significant impact on students, universities, communities and economies

3.1 Retention Rates

The social cohesion that is provided by student organizations is immeasurable. The feeling of ‘belonging’ to an organization is one aspect student organizations provide and if this is lost the University fears that by stripping students of this aspect of University life retention rates may suffer. Commercial operators are not in the business of providing social cohesion.

A selection of student examples are instructive:

Clyde is a second year Social Work student at the La Trobe University’s Wodonga campus stated in a public meeting held earlier this month that the mentoring program that was developed by the Wodonga Students’

Association was instrumental in him continuing his studies in first year. He now works as a volunteer mentor to new students. To develop and organize this mentor program the Student Association relies on the compulsory fee. He was also of the view that if the services provided on campus were lost students would have to rely on either government, local council or non government agencies to provide them causing even greater demand on these already stretched activities.

Sarah is an undergraduate student and a member of the La Trobe Union Student Theatre and Film Society. “The role that the La Trobe Union Student Theatre and Film Office has played in student’s lives over the years is not a role which fits within the realms of politics or economics. How can I explain the intangible significance of the friendships formed within Student Theatre? How can I then continue with case studies of students who would not have stayed at University and completed their degrees had it not been for Student Theatre and the relationships, which were a direct product of their involvement? I know nothing about economics but surely this means more money for the University. And furthermore, wouldn’t keeping students at University also encourage an educated Australian Society? Not only an academically intellectual society but also one that is emotionally and socially capable?”

Elizabeth is an undergraduate student who is a single mother studying on the Bendigo campus. At the public forum she stated had it not been for the student support services available to support her studies, she would still be a recipient of welfare and not a recipient of an education leading her to employment and personal fulfillment. She acknowledged she didn’t need some services but was more than happy to pay the General Service Fee as she received much more back in kind than dollars and valued the community the range of services created. She indicated child care and health services were crucial to her continued enrolment.

3.2 Loss of Employment

As indicated above over 100 full and part-time staff will be affected by this legislation if it is enacted together with over 200 casual employees. These will include managerial and administrative staff, cleaners, trades people, catering staff, technical staff and staff employed in arts related areas such as student theatre and radio stations. The vast majority of these staff are employed directly by La Trobe University and hence redundancy payments will be required. It is currently estimated that this will be in the order of \$3.5 million. The student organizations do not have reserves to carry this expense so it will be left to the University to find these funds.

In regional cities the impact of taking forty three people out of employment and the subsequent reduction of a total annual expenditure of \$1.465 million will have a serious impact on regional economies. This will occur through not only the direct loss of employment by many staff but through the flow on effect it will have as student organizations will not be purchasing goods and services from local suppliers. The multiplier effect will have devastating outcomes for local communities.

3.3 International Students

La Trobe University has over 3,200 enrolled international students. Many of these students when choosing their University carefully investigate the range of services available to augment and facilitate their studies. This is indeed a selling point for Universities and essential for students who for without local networks are entirely reliant on these services. This provision of services to International students is enshrined in the ESOS Act.

Parenthetically the legislation allows the fee to be charged to International students. International students regard the integration of their needs with the needs of domestic students as a compelling reason to study abroad. Ghettoizing international students would be a shameful regressive act and invite potential racism of a type never before experienced. National Liaison Committee for International Students in Australia (NLC) believe that it will affect the social experience of international students on campus

due to the tension that may surface between international and domestic students due to the availability of the services only to international students. They are also worried that international student's service fees may be subsidizing services and activities on campus for everyone.

With Universities still permitted to charge an international student service fee ironically these services will no longer be available on the scale or quality required because of the demise of student services with the introduction of the legislation. If there are limited facilities at Australian Universities as a result of this legislation our contention is that international students will look to other international providers outside of Australia.

3.4 Upkeep of Buildings and Facilities

As indicated above the 300 full, part-time and casual staff work in buildings funded by the General Service Fee. A sample of these buildings are displayed in the attached photographs (Attachment 1). The value of these buildings is substantial as indicated above. The funding for their maintenance and upkeep is reliant upon the General Service Fee. If this legislation is passed either they will be closed or the University will have to divert funds from other sources to cover their costs.

These buildings and facilities are rightly portrayed as providing a greater purpose by being used as community facilities. For example the Union Hall at the Bundoora campus is used by thirty local schools for end-of-year events and 'speech' nights. The sporting and child care facilities are also available for the local communities.

At regional campuses, halls, theatres, gymnasiums and basketball courts have become essential services in the local communities and a focal point for social engagement.

4. VICTORIAN EXPERIENCE

The Kennett Government introduced VSU legislation in 1994. It in essence stipulated a range of services that could be funded from the compulsory General Service Fee and by exclusion indicated those that could not. The areas that couldn't be funded included newspaper, student elections, the payment of honorariums to elected students and political activity. The legislation also stipulated that membership of any student organization had to be voluntary.

There is no connection between charging a compulsory general service fee and membership of student organizations. La Trobe University operates successfully within the framework of the Victorian legislation.

Dr Kerry Ferguson
Pro-Vice Chancellor (Equity and Access)
15 June 2005

Reference 1:	Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union Fees) Bill 2005
Attachment 1	Photographs: Buildings and facilities funded in whole or part by the compulsory general service fee.
Attachment 2	Correspondence from Ms Wendy Opresnik, the President of the Shepparton Students' Association
Attachment 3	Message from the Vice-Chancellor to students and staff, dated 17 March 2005.

LA TROBE UNIVERSITY

BUILDINGS AND FACILITIES FUNDED IN WHOLE OR PART BY THE COMPULSORY GENERAL SERVICE FEE.



UNION BUILDING – BUNDOORA CAMPUS



CHILD CARE – BUNDOORA CAMPUS



RADIO STATION - BUNDOORA CAMPUS



UNION HALL – EXAM VENUE – BUNDOORA CAMPUS



UNION COMPUTER ROOM – BUNDOORA CAMPUS



EAGLE BAR – BUNDOORA CAMPUS



EAGLE BAR – BUNDOORA CAMPUS



UNION BUILDING & EAGLE BAR – BUNDOORA CAMPUS



SHOPPING AND ACTIVITY CENTRE – THE AGORA - BUNDOORA
CAMPUS



SHOPPING AND ACTIVITY CENTRE –THE AGORA - BUNDOORA CAMPUS



UNION SERVICES CENTRE – BUNDOORA CAMPUS



UNION HALL & AMPITHEATRE – BUNDOORA CAMPUS



SPORTS CENTRE– BUNDOORA CAMPUS



SPORTS CENTRE INDOOR POOL – BUNDOORA CAMPUS



MAIN OVAL – BUNDOORA CAMPUS



SPORTS CENTRE UNDERGOING REPAIRS (COSTING \$27,000) –
BUNDOORA CAMPUS



HANGAR BUILDING – WODONGA CAMPUS



MIDWAY CAFÉ – HANGAR BUILDING – WODONGA CAMPUS



UNIVERSITY CHILDRENS' CENTRE – BUNDOORA CAMPUS



UNIVERSITY CHILDRENS' CENTRE – BUNDOORA CAMPUS



OUTDOOR SEATING – MILDURA CAMPUS



INFO CENTRE – BENDIGO CAMPUS



RESOURCE CENTRE – SHEPPARTON CAMPUS

Dr. Kerry Ferguson
Chairperson
VSU Working Party

22 May 05

Re: SHEPPARTON CAMPUS SUBMISSION

Dear Dr. Ferguson,

Thank you for the opportunity to write on behalf of the students at La Trobe University's Shepparton Campus.

As I am sure you are aware, we don't have our own campus here in Shepparton. We rent some classrooms and an office from the Tafe College but are not affiliated with them in any other way. Our students tend not to use the cafeteria and outdoor space provided for the Tafe students as it is barely enough space for them and these are located on the ground floor, whereas our classrooms and office are located on Level 2. Our lecturers and office staff are based in separate premises about a 10 minute walk from the Tafe College.

Our sole student facility consists of a small windowless room approximately four metres square. This room is our office, our tearoom, our storage area and our meeting place - for three hundred students. It's not much but it is better than nothing and we would really appreciate your assistance so that we can keep our little student facility and the Shepparton Student Association in existence.

The Shepparton Student Association has a lot going for it. We have an enthusiastic committee that is working hard to foster a campus spirit. We try to provide a variety of events and services to cater for the broad range of ages and tastes of our students. We want our students to feel they are actually part of a University, despite our lack of physical facilities.

Some of the ways we have done this include:

- Free tea, coffee and biscuits for students.
- A variety of events during 'O' week to welcome new students
- Establishing a relationship with the Goulburn Valley Hotel, which is 200 metres walk from the Tafe College. (They provide discounts on meals and drinks and a free BBQ once a week as well as an alternative place for La Trobe students to meet).
- Regular free breakfasts for staff and students.
- Pizza nights for night students.

- Sponsorship of the first La Trobe Shepparton mixed netball team to compete at the Southern University Games.
- Discounted newspaper subscription and gym membership.
- Support of those forming study groups – by providing meal vouchers.
- Cinema nights.
- Trivia evening.
- End of year celebratory Ball.

In 2005 we have been provided with a total GSF budget of \$39,000. Ideally the committee would like to continue the work we have begun with a similar budget for 2006 and beyond. I have attached a statement of estimated expenses for 2006. They are listed in order of priority; the items marked with an asterisk are fixed expenses that are required to keep our office/student room open next year.

Once again, thank you for considering our submission. In the interests of showing your support for one of your small, but hopefully important and growing regional campuses, we look forward to an affirmative response.

Yours sincerely,



Wendy Opresnik

2005 President
SHEPPARTON STUDENT ASSOCIATION

SHEPPARTON STUDENT ASSOCIATION

ESTIMATED EXPENSES FOR 2006

(listed in order of priority)

1. Room rental	\$3000*
2. Telephone	\$ 550*
3. Office expenses	\$6,880*
4. Other expenses	\$ 550*
5. Fee collection costs	\$1,672*
6. Minor equipment	\$1,530*
7. Repairs and maintenance	\$1,581*
8. Administration (from Bundoora)	\$3,340*
9. Tea, coffee, biscuits	\$1200
10. End of year Ball	\$8000
11. Breakfasts	\$2500
12. Pizza nights	\$1000
13. Film nights	\$1000
14. Neverfail water	\$500
15. "O" week activities	\$4000
16. Office bearers honorarium	\$3000
TOTAL	\$39,303

* Essential expenses to keep our office/student area running.

TO ALL MEMBERS OF THE UNIVERSITY COMMUNITY

Voluntary Student Unionism (VSU)

Yesterday the Minister for Education introduced in Parliament a Bill which, if enacted, is likely to spell the death of the University as a community.

As has now been revealed, the Government has decided to introduce the most restrictive form of Voluntary Student Unionism. The Bill precludes Universities from collecting fees to support services that contribute to the "University experience" for students and thus puts in extreme jeopardy health and welfare services, legal advocacy, affordable childcare, employment services, sporting facilities, the provision of subsidized food outlets and much else.

Organized student representation will no longer be the norm with the potential for individuals to lose their voice in helping to shape and deliver a quality education to meet their needs. In short, this legislation denies students the right to access support services and engagement in activities that contribute to the successful completion of their studies.

This legislation allegedly has been formulated in pursuit of the twin principles of freedom of association and the financial welfare of students. Neither of these claims can withstand serious examination.

In respect of "freedom of association" students at La Trobe University already have the option not to join the Union; their "freedom of association" can be enshrined in any form of compulsory fees set to support the continued availability of a range of services and activities. In reality this legislation will, if anything, inhibit association by despoiling universities of the very facilities that encourage social interaction.

As for the supposed amelioration of student circumstances, it is instructive to examine the example given by the Minister himself in his introductory speech to Parliament. The example of unfairness encompassed a "single mother who is training to be a nurse paying for the canoeing club or the mountaineers". Leaving aside the possibility that such a student may have, or develop, an interest in such pursuits (and have a better opportunity of doing so in the campus context) under present circumstances she has access to a subsidized child-care facility by virtue of the payment of the General Service Fee. Under the new supposedly "friendly" regime she will not, of course, see any contributions going to such sporting organizations, but she will have to pay - or more likely be in no position to pay - a sum considerably in excess of the total GSF levy to access (unsubsidized) child-care facilities. Perhaps the Minister would like to spell out in detail the advantage that his legislation actually offers to such a student.

Not content with persisting in the underfunding of universities the Minister is now legislating to ensure that they become wastelands lacking even the basic facilities that are the hallmark of decent universities worldwide. Australia will in fact be the only country in the developed world where universities do not levy compulsory fees for campus services. This bill can only lead to impoverishment of universities in Australia and will in time contribute to a situation where Australia experiences an outflow of students to overseas universities which boast better facilities and, of course, a diminished inflow as overseas students see Australian institutions becoming academic slums.

This is bad enough, but what makes the situation truly dangerous is the consideration that over recent years government policies have reduced Australian universities to a condition of substantial dependence upon the recruitment of international students.

This legislation is a recipe not just for the user to pay but for the user to pay more; despite all the demulcent prattle to the contrary it can only lead to the deterioration, and probably the eventual demise of services and facilities which will not be able to withstand uncertain funding; and it will effectively destroy the university as a community in defiance of all the evidence for the importance of a vibrant campus life both for the welfare of the students and for the reputation of Australian universities internationally. These are hardly achievements of which a country with a long tradition of higher education should be proud.

In regional Australia the impact will be particularly devastating. For in many campuses there is insufficient critical mass to attract outside enterprises and the alternative facilities that may (at a price) be available in the city are frequently absent. Perhaps more pertinently regional campuses are important providers of employment opportunities for their local communities - but not for much longer it seems.

At a practical level the University is establishing a Working Party under the Chair of the Pro-Vice-Chancellor (Equity and Access), Dr Kerry Ferguson, firstly to co-ordinate opposition to the introduction of this legislation and secondly, and importantly, to explore all possible ways of mitigating the impact of this legislation on the provision of support services and activities on our campuses.

I will provide further updates on the situation periodically.

Michael J Osborne

Vice-Chancellor

17 March 2005