

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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Presentation to: Senate Employment, Workplace Relations and Education References Committee

From: MU Student Union Ltd.

Re: Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005

Preamble

This submission is presented to the **Senate Employment, Workplace Relations and Education References Committee** to address the two matters which the committee has adopted as its terms of reference: assessment of the likely effect of the legislation on the provision of student services, and related consequences; and consideration of the experience of universities and students where legislation has been adopted to regulate student unions, such as in Victoria and Western Australia.

There has been extensive information provided in the many submissions presented to the committee. In this presentation the specifics of **MU Student Union Ltd. (MUSUL)** will be discussed. The legislative model that MUSUL operates under will also be described and how it successfully ensures relevance and secures sustainability.

Facts

Prior to describing MUSUL, some facts need to be reiterated as the ideological score-boarding of parliamentary debate is clouding the real truth.

- Universities collect compulsory General Services or in The University of Melbourne case; Amenities and Services Fee (ASF), and then distribute them to non-academic services providers on campus. This Student Union does not collect fees from students.
- Membership of The University of Melbourne student organisations is voluntary. At The University of Melbourne this choice is made at enrolment. Students can opt out or in. The "choice" issue is already provided for.

From The University of Melbourne, 2004 enrolment form:

Q12 Membership of Student Organisations *(See back page for further details)*

Enrolment as a student at the University of Melbourne automatically confers membership of your respective Student Organisation. There is no additional fee charged for membership. All students enrolled at Creswick, Hawthorn and Parkville campuses, including postgraduates, are members of the Melbourne University Student Union Inc. All students enrolled at Burnley, Dookie, Gilbert Chandler, Glenormiston and Longerenong campuses are members of their relevant Student Association. Postgraduate students are members of the Postgraduate Association. If you **DO NOT** wish to be a member of your relevant Student Union/Association please mark the box where indicated.

I DO NOT wish to be a member of...
...the Student Union/Association.

...the Postgraduate Association.

1.

- All fees for the provision of Campus community services which are now under threat, are raised from the student community, who benefit from such a provision. The Australian taxpayer does not pay anything for these services but may well do so when these subsidised

¹ Extract from 2004 The University of Melbourne student enrolment form. Page 2, 3rd Paragraph

services no longer exist on campus, i.e.: child-care, sport, welfare and counselling, student spaces, student employment services, etc. In fact some Coalition members argue and recommend that this additional burden on the public system is a preferred outcome and somehow provides the benefit of a choice. The choice may not exist, as the service either does not exist on campus or if it does exist in the public domain, is overloaded beyond a capacity to service specific student needs.

- MUSUL is not a Trade Union

trade union UK noun [C] (UK ALSO **trades union**, US **labor union**)²

an organization that represents the people who work in a particular industry, protects their rights, and discusses their pay and working conditions with employers:

student union noun [C usually singular] (ALSO **students' union**)³

1 an organization of students in a college or university which arranges social events and sometimes helps to provide health services and places to live

2 the building or part of a building specially used by students to meet socially

- MUSUL, University of Melbourne Postgraduate Association and Melbourne University Sport provide a vast range of services as scheduled by the Australian Vice Chancellors Committee (AVCC). Apart from attracting local students this provision is a key factor in the selection of The University of Melbourne as a tertiary education destination for international students. The export dollars that international, full fee paying students generate will be less because of this legislation. See appendix a., page 8.
- The provision of a majority of services relies on the provision of base funding. Remove the funding and services will not be available for discretionary purchase, as the proponents of the legislation claim, as they will not exist. At MU Student Union Ltd. for example the legal service is free to students. This service could not exist on a user pays basis. At the time of writing this document the MUSUL Legal Service is managing 328 files in matters like: Employment, Consumer Affairs, Academic, Crime (victim), Debt/finance, Employment, Equal Opportunity, Family law, Fine (traffic/met), Immigration, Intellectual property, Small business, Summary/indictable offences, Tenancy, Traffic accidents, Wills/powers of attorney and Witnessing.
- Extensive redundancies are inevitable under the existing legislation. At MUSUL. we have accrued for a potential 30 full time staff being made redundant should the legislation be passed in its present form.
- Alternative models exist that service the core need of this legislation to ensure that no student fees are spent on political activity.

² <http://dictionary.cambridge.org/define> 14 June 2005

³ *Ibid*, 14 June 2005

MU Student Union Ltd. Origins and Structure

On Dr. Brendan Nelson's official website (an article which appeared in the *North Shore Times*: "Nonsensical Union Needs an Overhaul" states at its conclusion:

"Given students at Melbourne University have put the union into bankruptcy despite \$14 million annual revenue, it's long past time this area of university life moved into the 21st century. Student choice and budgeting demands it."⁴

I refer to this article as an example of the incorrect information being employed in the aforementioned debate. On numerous occasions these theatrics have been employed in Parliament to demonstrate the need to destroy the provision of non academic services on campus.

As an example of the effect of this misinformation this quote of Ms Sophie Panopoulos, Member for Indi (Vic) from the Parliamentary Debate on Provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005 of Thursday, 12 May 2005, is indicative of the problem:

"But first prize for a bold and unprecedented theft of student money must go to my old university—to the Melbourne University Student Union, the extravagant arrogance of the union and the saga that is still unfolding in the courts."⁵

The facts of the circumstances surrounding the liquidation of MU Student Union Inc. (In Liquidation) (MUSUi) are as follows:

During 2002 and 2003 it is alleged that a few existing and previous students of The University of Melbourne used their prior knowledge of the workings of such organisations to manipulate political processes, gain positions of responsibility and, with premeditated intent, strip assets. These allegations are the subject of extensive investigations and pursuit of assets to repay creditors.

To blame all students at The University of Melbourne or the University for the malicious and dangerous actions of these few is unfair and does not reflect the truth. This situation also maligns the good works and actions of other non-academic services on campus which do not deserve such a taint on their long serving and faultless reputations. In fact to cast such blame is akin to smearing the whole insurance industry for the criminal actions of a few HIH directors.

Because of the alleged criminal behaviour of a few MUSUi staff and student representatives, The University of Melbourne reacted and has established a subsidiary organisation called MUSUL.

A cornerstone of the design of the new entity is to ensure student input into student relevant practices without absolute financial control.

As a proto-type MUSUL is now a model for student organisations in the 21st century.

As one of ten University of Melbourne subsidiaries MUSUL is required to report on performance to a University approved strategic plan/budget on a quarterly basis. The organisation is audited by the Auditor General for inclusion of performance in *The University of Melbourne Annual Report* which is presented to the Victorian State Minister for Education.

⁴ Wednesday, 17 November 2004, <http://www.brendannelson.com.au/news/>

⁵ House of Representatives, Official Hansard No. 8, 2005 Thursday 12 May 2005 page 39

MUSUL is a wholly owned subsidiary of The University of Melbourne. The sole shareholder is the University. Under an agreement with the University we provide the following services:

- Financial services
- Human Resources
- Information Technology
- Communications and design
- Building Services
- Commercial contracts
- Union House Theatre
- Student computing centre
- Campus information centres
- Rowden White Library
- Art Gallery
- Legal Services
- Student Dental services
- Student Employment services
- MUOSS (page 8)
- Short Courses

The Interim Student Representative Committee (ISRC) is a group of elected students who fill Office Bearer rolls on behalf of all students. At present their constitution (prior to forming a Student Council later this year) is being finalised. As it is not incorporated, the ISRC functions as a department of MUSUL. Funding comes through MUSUL under its financial policies and procedures. The ISRC is responsible for the following activities as well as those of the individual Student Office Bearers:

- Farrago (student newspaper)
- Clubs and societies
- Student advocacy
- Events and entertainment

When staff are required to provide support they are seconded from MUSUL until the ISRC is legally able to employ staff.

All expenses for the ISRC are kept separate from MUSUL. Additionally all ASF recurrent funding is audited to ensure compliance with the Tertiary Education Act 1993 (as amended).

54% of MUSUL income is from ASF grants to fund the above listed activities. The balance of income is generated by our own commercial activities and trading.

MUSUL is not a member of the National Union of Students (NUS) as it is a student services provider not a student representative group. Once the ISRC becomes the student representative group or council, it will decide to become a member or not based on its priorities and funding structure.

The Victorian T.E.A.

For a copy of the act:

[http://www.dms.dpc.vic.gov.au/Domino/Web_Notes/LDMS/PubLawToday.nsf/a12f6f60fbd56800ca256de500201e54/982f94be3072d467ca256fd900042742/\\$FILE/93-18a032.doc](http://www.dms.dpc.vic.gov.au/Domino/Web_Notes/LDMS/PubLawToday.nsf/a12f6f60fbd56800ca256de500201e54/982f94be3072d467ca256fd900042742/$FILE/93-18a032.doc)

MUSUL operates under the Tertiary Education Act 1993 (as amended). Students pay a compulsory fee to the University who disperses the funds under strict guidelines to non-academic service providers. The original concept was to control what the fee was spent on. Victorian legislation allows students to choose whether or not to be a member of a student organisation (as page 2), but continues to allow Universities to collect a compulsory General Service Fee for the benefit of the student community.

In The House of Representatives Hansard of Wednesday, 16 March 2005, pages 2 to 5, Dr Nelson, quotes an excerpt from a letter sent to the member for Cook by a constituent. It says:

"I also write as a concerned parent of a daughter who is doing her nursing degree at Uni of W Syd. As a single parent pensioner with 2 children and a mortgage left to her by an adulterous husband she is finding the going very tough. However, always wanting to be a nurse from way back she took the opportunity.

When enrolling this year she was asked for \$300 Student Union fees. When she objected due to lack of money she was told she wouldn't get her exam results or be able to do her clinical training. Reluctantly she paid although the benefits seemed very minimal..."

This is one example among many being bounced around Parliament. For this student the benefits of subsidised child-care at UWS, free financial and legal advice regarding her relationship and home mortgage issues would far outweigh her \$300 General Service Fee. Also this would be done with no burden on the taxpayer. Should she have had difficulty balancing study with parenting, the advisory service would provide assistance and represent her, should she struggle with her studies, at various performance committees of University. It is exactly for students such as this that the "safety net" services are offered. At The University of Melbourne in 2005 the cost is \$1.07 per day for a range of services that can, off campus, cost a great deal more. This assumes that they are available with the exact knowledge of what a student at a specific campus needs.

If it is the intention of the 2005 Federal Legislation to make student expenditure fairer and remove the possibility of any community based collections being spent on political activities then why not ensure the proposed legislation reflects this?

This is the model under which MUSUL operates now. As part of our audit process we need to account for every dollar of ASF and how it was spent. We extract politically aligned or associated Clubs and Societies funding for example and pay for it on behalf of students from our trading surpluses. In 2004, \$6999 (3.5% of student clubs and societies funding) was so spent and paid for by MUSUL Trading not ASF.

See appendix b., page 9.

Conclusion

It is a community based need that warrants Universities collecting General Service Fees. Each campus is a self contained community that provides services unique to each of the varied campus environments that exist. Non academic service and support mechanisms are funded by these fees. At The University of Melbourne, MUSUL provides a vast range of services safely, transparently and efficiently in partnership with other campus societies and student organisations.

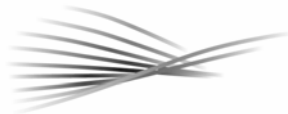
The Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005, will have significant negative effects on student non-academic and student support services, beyond its original intention if passed in its present form. The range of submissions to this committee and their varied origin indicate that far more than student political activism will be the target of this legislation. Surely a mature legislative design system, based on common-sense and expected outcomes would reflect this.

There are alternatives or ways of adapting this legislation to ensure it complies with its intent while allowing the certainty of collateral damage to be avoided.

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MU Student Union Ltd

Appendix a. Media release from MUOSS



CARE FOR, STAND FOR, ACT FOR OVERSEAS STUDENTS

Melbourne University Overseas Students' Service (MUOSS)

Media Release

International students to be directly affected by proposed implementation of voluntary student unionism

19th March 2005

The Federal Government's proposal to introduce the voluntary student unionism legislation will have undeviating effects on the thousands of international students that enrol in Australian universities each year. This legislation, if adopted, will mean the end of student organisations on university campuses as we know them today because the funding currently provided to these associations by all students will be affected. If voluntary student unionism is to replace the current system, then much of the facilities and services that international students rely on to ease their transition and time in Australia might not exist in the future. Student organisations provide imperative services to international students here at the University of Melbourne, such as international clubs and societies, counselling, advocacy, employment services and sport and recreational facilities. Student organisations are also the representative body for international students in academic appeals and in aid of social or personal grievances. These services and facilities provided by student organisations are the core essentials in epitomising the true spirit of university student life. These services often prove to be the difference between success and failure for many students in their time spent at the university. An introduction of voluntary student unionism would certainly be a fundamental cause of concern amongst international students here at the University of Melbourne in terms of services and facilities that we currently enjoy and often take for granted.

As a department of MU Student Union Ltd, the Melbourne University Overseas Students Service (MUOSS) will be directly affected if the VSU legislation is passed. As such, MUOSS as a department takes a stand against the conceptual implementation of the VSU legislation due to the negative implications it would have on international students and student life in general.

Media enquiries: muoss@union.unimelb.edu.au

Appendix b. Extract from MU Student Union Ltd. 2004 Financial Report

MU STUDENT UNION LIMITED
A.B.N. 89 107 287 706

Report on expenditure under the Tertiary Education Act 1993 (as amended)

**Schedule of Operating and Capital Expenditure
for the period ended 31st December 2004**

	2004 \$
Operating Expenses	
Student Leisure	200,498
Student Computing Centre	185,555
Legal Advice	165,087
Health Care	124,833
Visual & Performing Arts	385,849
Libraries and Reading Rooms	219,665
Funding to Other Student Bodies	231,945
Information Centre	148,940
Orientation Information	8,892
Support for Overseas Students	113,284
Building Services to support	985,041
Administrative Services to support	941,669
	<u>3,711,258</u>
Capital Expenses	
Furniture & Fittings	190,339
Computer Equipment	262,452
Motor Vehicles	26,028
Building Refurbishment	29,982
Theatre Equipment	130,215
Books	181,261
	<u>820,277</u>
Total Expenditure	<u>4,531,535</u>
Funding made available to other bodies pursuant to section 72 d from Amenities and Services Revenue	
Funding to Non Politically Affiliated Clubs and Societies	\$ 88,509
Funding to Politically Affiliated Clubs and Societies	\$ 6,999
Outstations	\$102,367