



UNIVERSITY OF SYDNEY UNION

23rd June 2005

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NSW 2006

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Mr John Carter
Committee Secretary
Senate Employment, Workplace Relations and Education Legislation Committee
Department of the Senate
Canberra, ACT 2600
Email: eet.sen@aph.gov.au

Re: Submission to the Employment, Workplace Relations and Education Legislation Committee

Dear Sir,

On behalf of the University of Sydney Union please find attached our submission to the Committee regarding the Higher Education Support Amendment (Abolition of Compulsory Up-front Union fees) Bill 2005.

Obviously our submission will only address the assessment of the likely effect of the legislation on the provision of student services and related consequences in the context of Sydney University Union and not the experience of Universities and students in Victoria and Western Australia.

Yours sincerely,

Paul McJannett
General Manager

Attach.



VSU: Its impact on the University of Sydney Union

Submission to the Employment, Workplace Relations and Education Legislation Committee

This paper outlines the impact of the proposed introduction of Voluntary Student Unionism (VSU) legislation on the University of Sydney Union (USU) and the University of Sydney.

While not opposed in principle to the Government's reform agenda, the USU has a range of concerns about the detail and implementation of the legislation currently being proposed by the Federal Government.

The new laws would prevent the Union from providing the range and breadth of experiences outside the lecture halls that are a hallmark of university life. Students have been enjoying the benefit of a full university life experience for more than 125 years, since the first University Union was established.

In its current form, the VSU legislation would also have adverse impacts on the University – reducing its capacity to compete strongly in international educational markets.

At the same time, the USU supports the Federal Government's commitment to economic reform and has, itself, begun a significant process of organisational and financial change.

This paper:

- Outlines USU's concerns with VSU;
- Provides some critical facts about USU, summarising USU's reform agenda;
- Looks at VSU in its national and international context;
- Suggests a workable solution.

USU's Concerns with VSU

A summary of our concerns with the current legislation is as follows:

- Fees paid by enrolled students constitute about 35 percent of USU's income;
- The USU would lose about \$7 million per year in fee income. Our research indicates we would retain about 15 percent of our members;
- More than \$1,027,000 p.a. would be withdrawn from registered clubs and societies, which, like the Debating Programs, significantly enhance University life and contribute to the desirability of Sydney University in national and international markets. Only six of the 220 registered clubs are Political by nature;
- Childcare fees for USU's three long-day care centres would rise from about \$63 per day to about \$112 per day. Our research indicates some students would be forced to drop out of University if this were the case;
- Campus-based social and cultural activities for students would be cut by \$1.7 million, hampering the University's "student experience" profile to both international and local markets;

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- There would be a significant reduction in the provision of subsidised meals for students;
- Rural and regional students would feel the brunt: they particularly rely on university non-academic services to provide a 'home away from home'.

USU at a Glance

- The University of Sydney has an excellent record for providing an internationally benchmarked student experience – much of this achievement should be credited to the USU;
- The USU provides a range of services which contribute to the University's status as a desirable international University. These services are "essential services" to a modern international university endeavouring to reach international standards;
- The USU is currently undergoing a critical organisational and financial reform program to bring its operation in line with modern business practices;
- One example is its work in the food and beverages area. USU currently receives \$1.05 million per year from tenants. The USU has introduced reform measures to increase rental returns over the next four years to about \$2 million per year. This will be achieved by changing the service rationale in our Food and Beverage business units.

USU in National and International Context

- Universities in virtually all OECD countries, including the USA, the UK, Canada and New Zealand, charge compulsory fees to support student services;
- University student organisations are not regarded around the world as trade unions but as community centres;
- Students Associations tend to be modelled on the original Cambridge and Oxford Unions from the early 1800's;
- Student organisations are managed by professional staff and have high standards of corporate governance, financial management and accountability.

A workable solution

We propose changes to the Legislation as follows:

1. A higher education provider may charge a Student Services and Amenities Fee (SSAF) payable by all students for cultural, arts, student support, health, sporting and fitness purposes. Proceeds from the SSAF can be used for the capital and recurrent costs of providing these services;
2. The higher education provider shall be accountable for the distribution and use of all monies collected through the SSAF and shall establish a controlled entity or entities to undertake this responsibility;
3. No SSAF-derived funds, or surpluses generated from these, are to be spent on political activity. Clubs, societies or other organisations which are deemed to be primarily involved in political activity are ineligible to receive grants from this fund;

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4. All clubs and societies which are eligible to receive grants from the entity must have voluntary membership;
5. The higher education provider is required to certify annually that the proceeds of the SSAF have been applied in compliance with the legislation.
6. The higher education provider and their controlled entities responsible for the distribution of funds collected from the SSAF, are required to comply with governance and financial codes of best practice which include, inter alia, rigorous annual auditing.