

**SUBMISSION BY UTS UNION LTD TO THE SENATE EMPLOYMENT,  
WORKPLACE RELATIONS AND EDUCATION LEGISLATION  
COMMITTEE**

**Introduction**

The effect of the provisions in the Higher Education Support Amendment (Abolition of Compulsory Union Fees) Bill 2005 will be profound and disastrous for UTS Union Ltd. The Union's capacity to deliver upon its Constitutional obligations as well as its capacity to undertake longer term capital works will be destroyed. It is the Union's opinion that the Government should consider proposals put forward by the National Association for Unions, (Australasian Campus Union Managers Association) and Sport (Australian University Sport) seeking to amend the Bill to address the Government's concerns whilst still allowing for the collection of a services and amenities fee.

**Financial impact**

The Union's 2005 budget shows a predicted fee income of \$5,700,000. If this revenue is removed, the predicted operating surplus for this year of \$914,000 would become an expected deficit of \$4,800,000. The Union has undertaken a range of detailed investigations and financial models which seek to maximise our non fee revenues and to substantially limit expenditures. Even with these adjustments the Unions annual operating results would produce unsustainable deficits of the order of \$2,000,000 per annum.

**Capital works**

Beyond the above operational analysis (and its inherent contradiction of the Union's constitutional responsibilities) the other major impact of the proposed legislation upon the Union will be to severely curtail its capacity to undertake capital works. Most recently the Union has completed a \$2,000,000 upgrade of our Sports and Fitness Centre and has been planning for major capital refurbishments at our Functions Centre and our Rowing Club. At the same time, the Union was planning a major expansion of its sporting facilities required to provide the appropriate infrastructure to deliver contemporary sporting programs which are currently operated through a range of alliances with other sporting organisations. These types of projects will clearly add to the University's overall range of student facilities. Moreover, the Union's ability to undertake regular refurbishments of its existing social, sporting and recreational spaces will be destroyed.

**Employment**

The Union estimates that the impact upon revenues of the proposed legislation and the associated service contractions will lead to a reduction in its staff of approximately 30%. Whilst it is difficult to be exact in these circumstances, the operational analysis outlined above includes assumed reductions in service and corporate departments which would lead to the suggested staffing reduction.

There will also be a flow on effect with the Union's suppliers because of the lowered amount of business activity the Union would undertake under the proposed legislation. These suppliers range from the very large (Coca-Cola, Amatil) to the smaller localised family businesses that supply the Union with a range of products and services.

### **Community**

While the short and long term financial impacts outlined above will be disastrous of themselves, the most negative impact of the proposed legislation will be to undermine the role the Union plays in creating a sense of Community at the University. This purpose is fundamental to the Union's role and, indeed, is more important in the context of the increasing internationalisation of Australian Universities. The Union not only provides the "common meeting ground" for the University community, it also supports the University's educative mission by providing students with developmental opportunities outside the formal academic experience. This role is paramount in the Union's funding of social and sporting clubs, its leadership programs, its sporting and artistic scholarships and its funding programs for creative and artistic projects.

### **University Programs**

The Union supports a range of important University programs including direct grants to the UTS Community Law Centre and the University's Child Care facilities. The Union also supports financially and works with the University on programs within the Universities International Students Orientation Program and its Equity and Diversity Unit.

### **Services contraction**

Given the financial impacts referred to above, it is clear that the Union will be unable to continue the level of services it currently provides to the University Community. Particular examples of services contraction include:

- Reduced operating hours and weeks of the year in trading areas such as Catering, Bars and Retail.
- Removal of developmental programs for students in both cultural and sporting areas.
- An inability to continue necessary maintenance and minor refurbishments of Union areas.
- Reduced funding for sporting and activities clubs.
- Removal of Artistic and Sports Scholarships and Creative Grants.
- Deletion of free publications.
- Cessation of creative competitions such as Band, DJ, Writing, Art and Photo competitions.
- Removal of support to State and National sporting competitions –Eastern Conference Games and Capitalised Australian University Games.

### **Myth of private operators**

Some of the Government's pronouncements indicate an opinion that presumes any contraction of Union services and facilities can be simply replaced by the free market. This, clearly, will not happen in the provision of funded services. Additionally, the suggestion that for trading areas such as catering, bars and retail that private operators would fill the gap is not reflected by the experience of both big and small operators on University campuses. There are two major problems with the free market approach: firstly, private operators with their profit driven motivation are unable to cope with the reduced non semester trading volumes present on all campuses. Secondly, because any profits are moved off site the scale of investment in the campus infrastructure is diminished.

### **Industry engagement/impact studies**

One of the most difficult aspects of this proposed legislation for both local organisations, such as UTS Union Limited and National Associations, such as ACUMA and AUS has been the unwillingness of the Government to generate any formal industry impact studies and to participate in any discussions about proposed amendments to the Bill that have been put forward. It would seem that the Government's position has been driven from an ideological basis as opposed to recognition of the practical impacts outlined in this paper.