

# 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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# THE HISTORY OF VSU IN WESTERN AUSTRALIA

## 1983

### *Acts Amendment (Student Guilds and Associations) 1983 (WA)*

This Act requires that all enrolled students shall be members of the Student Guild except those that declare in writing to the chief executive officer of the respective tertiary establishment that they have a conscientious objection to being a member. The amount equivalent to the subscription which would be payable if the student were a member of the Student Guild is paid into a body established for a charitable purpose nominated either by the Student Guild, or if the student so elects, by the student themselves.

## 1993

### *States Grant (General Purpose) Act 1993*

The Federal Government will intervene on behalf of university student guilds threatened by State Government legislation making the payment of guild fees completely voluntary. The Commonwealth can recoup from the States any money paid by the Commonwealth to universities to fund student services that have been adversely affected by legislation such as that proposed by the WA state government.

This legislation allowed the Universities and the Student Guilds sufficient time during the first part of 1994 to prepare a contingency plan for implementation in 1995. This planning undoubtedly helped the Guilds survive the first years of VSU.

## 1994

Voluntary Student Unionism was legislated in WA by the Court (Liberal) State Government. This legislation banned universities or student organisations from collecting compulsory fees from students in order to fund student organisations or services.

Membership numbers dropped dramatically across the four Guilds.

## 1999

A Federal Bill introduced by the then Minister for Education, Dr Kemp, proposed to introduce federal VSU and was scheduled to be debated, but was never passed.

## 2002

Under the Gallop State Government, a bill was passed that required universities to collect a universal amenities and services fee. Students are not required to become a member of their Guild.

### **Main provisions of the current system:**

#### *Proportion of the fee going to the Guild*

As noted, all students must pay an amenities fee regardless of whether they are Guild members or not. Although arrangements differ at each university, the Act provides that each Guild only receive the fees from those students who are members. The fees of

those that opt-out or resign go directly to the respective University for the provision of student services.

There is also a safety net provision ensuring that the Guild is entitled to a minimum of 50% of the fee received. However, all the Western Australian Guilds' current membership levels are well above 50%. In fact, at most campuses less than 100 students are non-members and at all campuses the figure is less than 2%. Thus, there are no significant services being offered by the universities through the collection of fees from non-members.

*Financial restrictions on the funds*

Although the new Amenities Fee system has allowed WA Guilds greater access to funds, it has not provided complete financial independence. Each WA university has the authority in their Acts to ensure that Guilds account for any fees acquired compulsorily.

Curtin Student Guild	ECU Student Guild	Murdoch Guild of Students	UWA Student Guild
<ul style="list-style-type: none"> <li>- Must provide a copy of annual financial reports audited by an independent external auditor whose appointment must be approved by University Council.</li> <li>-Must provide an annual report on how the Amenities and Services Fee is spent in accordance with the allowable categories.</li> <li>-Must provide quarterly reports to the University Council on the Guild's income and expenditure</li> </ul>	<ul style="list-style-type: none"> <li>-The Guild must provide a quarterly report on its Amenities Fee expenditure</li> <li>-The Guild must provide a quarterly report on its financial position</li> <li>-The Guild must have its accounts audited each year by an auditor approved by the University Council.</li> </ul>	<ul style="list-style-type: none"> <li>-Must present audited financial statements to the University annually.</li> <li>-Must present quarterly reports to the University annually</li> <li>-Must present quarterly reports to the University on its expenditure of the fee</li> <li>-Must present quarterly reports to the University's Chief Financial Officer on its finances.</li> </ul>	<ul style="list-style-type: none"> <li>-Must provide a copy of annual financial reports audited by an independent external auditor whose appointment must be approved by the University Council.</li> <li>-Must provide an annual report on how the Amenities and Services Fee is spent in accordance with the allowable categories.</li> </ul>

There are limitations on where the guilds can spend funds that are compulsorily acquired. According to the universities' statutes, expenditure must be restricted to the following areas:

- student representation, student societies, social activities, cultural activities, sporting activities, welfare, catering, commercial activities, capital funds and infrastructure, investments and reserves, student publications.

*Level of the fee:*

There was no massive or unjustified increase in student guild fees when the Gallop legislation was implemented. The level of the fee is set by the university's governing body on recommendation by the relevant Student Guild, and the 2003 fee was equivalent to the fees that were charged before 1994. The lowest fees in 2004 were the fees paid at Curtin University (\$100) & Edith Cowan University (\$100). The highest charged was at Murdoch University (\$140). At all WA campuses, discounts are offered whereby students studying part-time, externally or at regional campuses are charged a lower rate of the fee. Of all student union/amenities & services charged around the country, the lowest four fees are those charged by the four Western Australian public universities.

*Financial Assistance*

All WA Guilds and/or their respective universities offer financial assistance to students of one form or another, via extensions or flexible payments and emergency financial assistance.

*Maintaining freedom of association:*

As noted above, students are not required to join their student associations but can choose to 'opt out' of Guild membership, although as noted above very few students take up this option.

Additionally, all four University Acts contain a clause that says that "no academic benefit, right or privilege shall be denied to or withheld from any student by reason of that student not being a member of the Guild".

## THE EFFECTS OF VSU IN WESTERN AUSTRALIA

Below is a comprehensive outline of services lost at each West Australian university campus under VSU. Overall, across the state of Western Australia, the impact of VSU was extremely severe. In total, more than 75 jobs were lost across the four campuses, and essential welfare services that, for many students, make the difference between being able to study or having to leave university, were lost. These services included a sexual assault referral centre, childcare services and a parenting room.

### *Guild independence*

A most important consequence of the legislation was the extent to which all four WA Guilds became dependent on their university for funding and/or other support. Although Guilds remain grateful for this support, it has the effect of compromising the independence of our organisations. This independence is crucial in our role of improving the quality of university education offered in Western Australia by being able to vigorously represent the interests of students in cases where the quality of their educational experience does not match up to their expectations.

### *Guild focus*

Under VSU, Guilds were forced to become more commercially-focussed, spending money on marketing to, rather than servicing, the student population. The kinds of services that were offered were designed to attract the most number of students, rather than focussing on essential aspects that students do not necessarily realise they need until some time into their degree, such as welfare and advocacy. This meant that inevitably the interests of under-represented students such as regional students were not the prime focus of the Guild.

### *Campus life*

The loss of vibrancy, clubs and activities on campus was severe. This is a significant problem not only because it affects the ability of universities to attract students from overseas, but also because of the impact it has on attrition rates for all students. It is an established and unsurprising fact that those students who make friends early in their university career are more likely to be able to successfully make the transition from school, work, or other situations to university. Having a wide array of campus clubs and activities means that students are more likely to be able to develop important social networks.

## **Curtin Student Guild**

In 1995 membership dropped from over 24 000 in 1994 to just over 1 500 – A 94% drop in members. The effects of declined revenue included:

### **Reduction of Services**

- ✦ Closure of Guild Shop/Emporium
- ✦ Closure of the Tool Library
- ✦ Discontinued funding of childcare
- ✦ No longer resourced recreational lounges for student groups
- ✦ No longer resourced Guild films, cultural hall, sport library, orientation camp

- ✦ Only barely fund 30 student associations (previously 70) and 9 sporting clubs (previously 25)
- ✦ No longer provided funds for student conferences, student loans or field trips
- ✦ No longer sponsored the health promotions centre
- ✦ Removed funding for disabled students

### **Reduction of Representation**

- ✦ Closure of Women's, Sexuality, Disabled Student's Departments and the Part time, Mature Age and External Student's Department
- ✦ No longer provided a Women's Room
- ✦ No weekly campus newsletter (Grokette)
- ✦ Decreased funding to regional campuses
- ✦ Decreased funding for international and postgraduate representative groups
- ✦ No longer had Representative support staff
- ✦ Significant reduction of funding of student associations and sporting clubs
- ✦ No longer funded student conferences
- ✦ Limited representation because of the reliance on the University, whereby they could remove their support at any time (eg. If we are over critical of their decisions)
- ✦ Resources for student representatives diminished
- ✦ Education Office, President's Office, Treasury and General Administration had the size and scope of their operations reduced (which included the loss of research officers)
- ✦ Student representatives' time largely spent on recruiting members
- ✦ Student representative's time was significantly focused on recruiting members
- ✦ Staff redundancies:
  - Lost all of the Sports, Activities and Recreation Staff (2)*
  - Lost 5 Student Assist Staff (reduced from 7 to 2)*
  - Lost 3 Media Staff (reduced from 4 to 1)*

With focused membership drives and marketing campaigns, membership in successive years increased to about 5 000 but this was still only around only a fifth of the student population.

### **These changes led to:**

- ✦ Reduced support to clubs, sports and activities which diminished campus life
- ✦ Increased waiting time for students seeking help from the Guilds Counselling & Advocacy Service (Student Assist)
- ✦ Reduced services or cancellation of services which benefited students
- ✦ Loss of support for women, queer, disabled, part time, mature age and external students.
- ✦ Decreased productivity and support for the postgraduate and international representative groups
- ✦ Less time and resources available for student representatives to actively campaign for improvements to courses and teaching and learning.

## **University of Western Australia Student Guild**

The UWA Student Guild is the oldest Guild in Western Australia, and over time had put money aside in reserves. Even so, services and representation were dramatically affected at this campus:

**Reduction in Services:**

- Sexual Assault Referral Centre – closed down
- Textbook subsidy scheme cut from \$20,000 to \$6,000 initially and even further after that
- Guild computer lounge shut down
- 24hr/365 day personal accident insurance for students cancelled
- Guild Sports division handed over to the University and lost to student control
- Funds for maintaining Guild property reduced from \$320,000 to \$120,000

**Reduction in Representation:**

- Representative budget cut from \$135,000 to \$25,000
- 45% reduction of funding for clubs and societies
- Education Office budget cut

Staff Redundancies:

*28 jobs were lost at the UWA Student Guild.*

**Edith Cowan University Student Guild**

The ECU Student Guild was the hardest hit by the legislation, becoming insolvent and being placed into administration.

- All Guild activities ceased for a time, including campus activities, student newspapers, student advocacy services, student welfare services, no funding for clubs and societies including sports clubs
- Guild bookshop closed
- Guild service centre closed
- 24hr/ 365 day personal accident insurance for students cancelled.
- All 28 Guild staff lost their jobs

**Murdoch Guild of Students**

Murdoch Guild of Students was within weeks of going into liquidation when legislation was passed through WA State Parliament introducing the universal amenities and services fee. If the repeal of VSU had been left any later, all of the services offered to Murdoch students by their Guild would have been lost.

- Personal advocacy for students appealing university decisions was reduced, and access to the services restricted
- Resourced parenting room was lost
- Food outlets and recreational facilities run on a profit-making rather than break-even or subsidised basis
- Funding for sports services and intervarsity sport was lost
- A Guild service centre was closed



- Student clubs no longer received funding from the Guild
- Emergency loans to students were no longer provided
- Guild social activities were run on a profit-making basis, increasing costs for students and reducing their exposure to a wide range of cultural events
- The Guild became reliant on the University for funding and support
- 6 Guild staff lost their jobs

## VSU AND REGIONAL STUDENTS

Although there are no regional universities in Western Australia, every WA university has at least one regional satellite campus.

Under VSU, the services offered to regional students suffered significantly. With limited funds available, Guilds were forced to direct their resources and marketing campaigns into those students who were easiest to target –that is, students studying on the main campuses who were on campus for a significant amount of time each week. It was not cost-effective to offer services to regional students because the relatively small number of students studying at each campus rendered it cost-prohibitive to offer comprehensive benefits to those students.

This meant that some of the most vulnerable Western Australian students found themselves without access to essential services, and in the long-term meant that student organisations began to lose their connection with their regional students, links which are hard to rebuild.

Regional students already face significant barriers to studies, in the form of lack of access to a full range of courses in their own communities, forcing them to relocate and face often severe financial hardship as they support themselves out of home without adequate income support from the Federal Government. Student organisations provide a vital link not only to students who remain in regional areas to study but also to students who relocate to metropolitan areas and face problems dealing with Centrelink, finding accommodation, making friends and so on.

### *Regional Students under the current universal fee system:*

Since the introduction of the Amenities and Services fee, services to regional students have improved dramatically. Most regional students have a significant proportion of their Amenities and Services Fees passed back to them to spend on services for students studying at regional campuses, such as barbecues or facilities. Despite this, they also have access to a significant number of services through the Guild located on the main campus, for example:

- Guild diaries
- Access to welfare (financial counselling, loans and grants) and advocacy (appeals and grievances) services, usually via a toll-free number on which they can call the Guild.
- Access to discounts in local businesses negotiated by the Guilds.
- Representation by Guild office bearers should there be any problems on their campus (for example at Curtin University in Margaret River the Guild ensured that students had access to a 25-hour computer lab and an adequately resourced library).
- Access to activities and social events run from the main campus (for example, students studying at the Albany campus of UWA each year raise a significant amount of money on the Prosh Charity Day)
- Access to representational support for the Guild – for example, the UWA, Curtin and ECU Guilds have been instrumental in the creation of

a Student Association representing the students studying at the joint Geraldton Universities Centre.

Students located at regional campuses also pay a reduced rate of the Amenities Fee.

## THE EFFECTS OF THE PROPOSED LEGISLATION

It is inevitable that a decrease in funds will result in cutbacks on expenditure. The people who will lose out are obviously the students themselves but the entire university community also suffers with the resulting decrease in campus facilities and services. All operations of the respective Guilds are directed at supporting students, therefore it is inevitable that any decrease in expenditure will directly lead to a decline in services.

The effect on West Australian campuses will be particularly severe, given that our organisations have only just begun the slow road to recovery from the last round of VSU. The UWA Student Guild has estimated that it will last a maximum of 5-6 years under this legislation due to the depletion of its reserves in the 1990s. The other Guilds will last similar amounts of time or even less, in the case of ECU Guild.

A key difference between WA VSU and this legislation is that under WA VSU, Guilds were offered 'SOS funding' by the Federal Government between the years 1994-1996. This gave Guilds an opportunity to develop marketing strategies and restructure whilst still maintaining full funding before the effects of the legislation will come into effect. It is unlikely that this form of funding will be repeated with the Federal legislation.

In effect, this means that:

- ✦ Students will not be able to access counselling & advocacy services at the time when they need it (due to longer waiting times for appointments) or not at all if the service is lost (*ECU- 1998*)
- ✦ Increased costs for child care and the removal of cross subsidisation of similar equity schemes
- ✦ Student clubs and societies may not be able to host the activities they would like
- ✦ Regular free food from breakfasts and barbeques and other welfare programmes will have to be cut back
- ✦ There will be less campus activities for students to be involved in
- ✦ Student rights will be compromised due to the decreased ability for the Guild to represent their members with adequate resources as well as being financially independent from their university

The impact of this legislation on the quality of education at Australia's universities is obvious. Vibrant and independent campuses play a key role in attracting students, both from Australia and overseas, to study here. More than that, however, they improve the standards of education in our institutions by drawing attention to problems in the university's processes or procedures and leading universities to change them. Students consistently say in surveys that if they have a problem with the university, they would prefer to approach an independent organisation rather than the university itself. This vital function would be lost under this legislation.

It is clear that the Government has not fully thought through the consequences of this legislation. If there are particular concerns that the Government has with the operation of student organisations, there are ways to resolve them which, although still representing an infringement of the right of students to control their own affairs, would not require a universal ban on the collection of universal fees. If the government was serious about acting in the best interest of students, it would be prepared to

communicate with their democratically elected organisations and allow a dialogue to be established.

Obviously, the consequences of this legislation are far-reaching. The West Australian experience has shown that, once implemented, the effects of this legislation will not be easily reversible and will cause lasting damage to Australia's universities.