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# Official Committee Hansard

## SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION  
LEGISLATION COMMITTEE

**Reference: Higher Education Support Amendment (Abolition of Compulsory Up-  
front Student Union Fees) Bill 2005**

WEDNESDAY, 6 JULY 2005

CRAWLEY

BY AUTHORITY OF THE SENATE



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**SENATE**  
**EMPLOYMENT, WORKPLACE RELATIONS, AND**  
**EDUCATION LEGISLATION COMMITTEE**

**Wednesday, 6 July 2005**

**Members:** Senator Troeth (*Chair*), Senator Marshall (*Deputy Chair*), Senators Barnett, Johnston, Stott Despoja and Wong

**Participating members:** Senators Abetz, Bartlett, Boswell, Brown, Buckland, George Campbell, Carr, Chapman, Cherry, Colbeck, Jacinta Collins, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Fifield, Forshaw, Harradine, Hogg, Humphries, Hutchins, Knowles, Lightfoot, Ludwig, Lundy, Mackay, Mason, McGauran, Nettle, O'Brien, Payne, Robert Ray, Santoro, Sherry, Stephens, Watson and Webber

**Senators in attendance:** Senators George Campbell, Fifield and Troeth

**Terms of reference for the inquiry:**

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

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**Committee met at 8.56 am**

**CHAIR (Senator Troeth)**—I declare open this public hearing of the Senate Employment, Workplace Relations and Education Legislation Committee inquiry into legislation to end compulsory payment of student union fees. On 11 May 2005 the Senate referred to this committee an inquiry into legislation introduced into the House of Representatives to end compulsory payment of student union fees. The committee is due to report on 9 August. The committee will consider in particular the effect of the legislation on the provision of student services and related consequences and the experience of universities and students where legislation has been adopted to regulate student unions, such as in Victoria and Western Australia.

The legislation introduced this year is the third attempt in six years by the government to have its policy of freedom of association recognised in universities. The arguments of the government in support of this measure and of the legislative provisions remain substantially the same. It has always been the government's view that compulsory payment of fees for non-academic services cannot be justified, especially given the changing role and culture of universities today—a reflection of social and economic change. The committee is aware that this is controversial legislation. It is aware that university administrations, as well as representatives of student organisations, have raised practical difficulties which may arise in the event that the legislation is passed. We will be listening carefully to these and other views expressed today.

Witnesses appearing before the committee are protected by parliamentary privilege. This gives them special rights and immunities, because people must be able to give evidence to committees without prejudice to themselves. Any act which disadvantages a witness as a result of evidence given before the Senate or any of its committees is treated as a breach of privilege.

[8.58 am]

**DEN HOLLANDER, Professor Jane, Pro Vice-Chancellor, Curtin University of Technology**

**GARNETT, Professor Patrick, Acting Vice-Chancellor, Edith Cowan University**

**KING, Dr Susan, Executive Director, Governance, Policy and Planning, Edith Cowan University**

**SEARES, Professor Margaret, Acting Vice-Chancellor, University of Western Australia**

**CHAIR**—I welcome our first witnesses. The committee has received submission No. 145 from the Australian Vice-Chancellors Committee and submission No. 79 from Edith Cowan University. Would one of you like to make an opening statement?

**Prof. Seares**—Thank you. As the committee will be aware, all universities in Western Australia are currently operating within a VSU environment in the sense that we have freedom of association on campuses, although we do have a compulsory amenities fee. Our collective concern is not about VSU as such; it relates to the potential abolition of a compulsory amenities fee.

We understand the arguments against compulsory fees but we feel that those arguments somewhat ignore the fact that we are surrounded by these in all walks of life, whether they be council rates, taxes or whatever. In terms of our regional students and students from disadvantaged areas, we see no real difference, in a sense, in the whole paying to support particularly those who are in a more vulnerable situation—and I will address that a little later on.

In terms of the fees and the uses to which they are put, our systems all require our governing bodies to have a very active role in approving the budgets and setting the criteria for expenditure of the compulsory amenities fee. In the last couple of years, the government has worked to reinforce and to build the governance structures of Australia's universities. We all now have governing bodies, which we feel work very effectively. The government has required that they have members on them who have financial skills, legal skills and so forth. So we believe that the role of the governing bodies in ensuring that the amenities fees are spent in the best possible way is something that probably was not available five or 10 years ago within the Australian university sector.

In looking at what we would lose if we did not have an amenities fee, we single out several areas. The first is health and welfare. These are of vital importance, particularly for those students who are living away from home or who are from disadvantaged backgrounds. All of our campuses, as you will be aware, are based in the city, although we have some regional campuses and we have a lot of regional students. For these students, the health and welfare services on our campuses and the educational support services are a lifeline, because the students do not have the family support around them that the metropolitan students have to deal with some of the issues that come up in a day-to-day fashion for students.

In addition, there has been a lot of publicity—not all of it favourable—in recent times in relation to the welfare of international students on our campuses. Again, the services are very



important here. I cite here for the international students and for some regional students the educational support services in particular. In Western Australia—it may or may not be the case in other states—it would be fair to say that, on the whole, students coming from regional schools probably require in their first and second years of university additional educational support to catch up and break even, as it were, with their metropolitan colleagues. Likewise, students from overseas, particularly in the English language areas, need that additional support.

Then there is the issue of cultural and sporting clubs. I know you will have heard from a lot of these clubs and received a number of submissions. There has been a lot of publicity about the role of sporting clubs, in particular, on the campuses. We all believe, and it has been a tenet of this university almost since our founding act, that such clubs provide a vitally important role in building the social networks for students, broadening their horizons, instilling in them a sense of social leadership and, very importantly, a sense of volunteerism. All of us who have been through universities and who have been involved in that environment developed some of our volunteering skills, if you like, in running such clubs.

At the beginning of each year, the vice chancellor of this university says that if all that our students do while they are here is study, go to the library and pass exams, we will feel that we have failed in our broader task of equipping them for leadership in their future careers and equipping them to be good citizens. So there is the issue of leadership and citizenship and the broader role that a university should have in developing the citizens and the leaders of the future.

Then there is the issue of social integration on campus and the role of clubs. We know from our records that the students—particularly regional students and overseas students—find that the clubs are the ways in which they form the social networks that they do not otherwise have when they come to the city. I think we all have a concern that, if there is recognition only of the role of regional universities and not those of the cities in relation to regional students when the government makes its final decision, there will be a vast cohort of students who are disadvantaged.

Would the universities maintain the dollars—in my case, at UWA, \$1.4 million a year comes from the amenities fee—and would we be able to maintain the services to students? I have said that we find them very valuable. We would have to maintain them because we would disadvantage the most disadvantaged of our students if we did not. But that money would have to come from teaching and learning. I know it cannot come from the Commonwealth Grants Scheme; it would have to come from other sources of income such as student fee income, particularly international student fee income. So the withdrawal of an amenities fee would have an impact on the educational outcomes for students.

In sum, I believe that all the universities in Western Australia have strong governing councils and that they should play a strong role in making sure that the expenditure of amenities fees are appropriate. We also believe that for our students, particularly the more disadvantaged of those students, it is of fundamental importance that the amenities and the services be maintained on our campuses.

**CHAIR**—Would any of the other vice chancellors like to add anything to that?

**Prof. Garnett**—I agree with everything Margaret said, other than that Edith Cowan University would not be able to provide the level of services that we currently get out of the fee, because we do not have the resources to allocate the \$1.5 million that we get—or that we allocate together with the student guild—to some of these services.

**Prof. den Hollander**—As you know, Western Australia did go through a VSU experience a little while ago. I was part of the university system at that time, although not at the university I am at—I was at the University of Western Australia. It seemed to me at the time that in Western Australia we lost many services that were provided by the students. That is not to say that at the time perhaps things could not have been done better, and we did not have the governance models then that we are now required to have—I think they are good. We have governing bodies that have external members, we are required to have external members who have very close scrutiny of all financial matters and things that happen in universities, including guilds.

What we did notice at the time, particularly at the University of Western Australia—which, by any margin, is a wealthy organisation and was able to pick up some of the things—was that many things fell through the cracks. The most important thing from my perspective was student representation in terms of their capacity to interact with the university and assist with decision making. As we know, students are our core business; they are why we exist, when all is said and done. While I do not like to use the word ‘stakeholder’, they are the major stakeholders and it is appropriate that they are involved. It is appropriate that they involved from a strong position where they are elected and they have representation and trust in their own student bodies. Interestingly, that was one of the things that fell with VSU.

**CHAIR**—Could you explain briefly why that was so, because it has been mentioned to us in other venues that student representation will drop off. I would like you to give us your view on why this happens.

**Prof. den Hollander**—It seemed to me that what happened was that they had to spend so much time marketing to the student body and saying, ‘Please come and join us; this is what we can do for you.’ That gets quite expensive. Students have to be sold on something. They often join things when they need assistance rather than beforehand, and that is quite difficult—often, when they need the assistance, they do not have the money. They had to spend a lot of time in what I would call hospitality management. That attracts a different kind of person than perhaps the broad group of people that you need to get the kind of representation you have in universities. There was a drop-off in the energy that was required to do the representation on the committees of the universities, because so much time was spent in marketing and making sure that they got their memberships up.

Secondly, there was the whole welfare appeals process. Students often need support when they are going through the university appeals process or want to do things with the university. Mostly, they prefer to use other students or an arms-length negotiator with the university rather than deal with the university directly, for all sorts of reasons that are quite sensible and which the university encourages. We quite enjoy students having someone with them who can support them if they have done something wrong or there has been a perception that they have done something wrong. All of that is expensive to do—you need qualified people, people who are knowledgeable about the university and people who will spend the time to get

knowledgeable. All of that has to be set aside while you deal with making sure you get your membership so you get your money. You have to do that through things like food, recreation and all of those kinds of things—which are useful and essential, I agree, but it seems to me that one of the core things of great universities is active student participation in the running of the university.

One of the ways to do that is through an active student body that is democratically elected and that has finances of its own to enable that. If you do it the way that is being proposed, there will be a massive drop-off. If you look at the Western Australian experience, you will see that over years it then crept up again to about 30 per cent, which I think was the maximum student involvement at UWA and Curtin. I think that is disappointing and insufficient.

Look at what has happened at my university, Curtin. Since we reintroduced a form of student relationship and amenities and services fee, we have seen much better representation and much better involvement of students in what I see as our core business—teaching, learning, research, the strategic direction of the university and the students' role in the university. That is right and proper as part of a governing council which has an overarching look at universities. All the checks and balances and controls are there through your governing body.

Guild presidents without exception over the last few years have been exemplary at Curtin. The governing body is an enabling force to allow them to do some of what they have to do and to curtail some of their excesses—we all come to that at some point or another. So it seems to me that where we are going with the current legislation is to perhaps curtail some of the very things that we would all, as a society and a community, particularly in Western Australia, wish to encourage. We may be wanting to support things that are probably not part of the fundamental or core business of tertiary education.

**CHAIR**—So you felt that the quality of student leadership dropped off during the time of VSU?

**Prof. den Hollander**—I would not say that the quality of the leadership dropped off; I would say that the intensity of what they had to concern themselves with was diverted from the very things we might have wished them to spend 100 per cent of their time on into things that maybe they needed to spend their time on. They had to become money raisers rather than be representatives of their community. I think the two things are somewhat different. I spoke to some of the guild presidents during that period and I remember one famously saying to me, 'I'm just a hospitality manager; I need to make sure we have the money so that I can do the other stuff but the time I have to spend getting the money is much more than it should be compared with the amount of time I need to spend in the university understanding teaching, learning and research and development and the very things that impact on student experiences.'

**CHAIR**—One of the reasons we came to Perth is that this state has had experience of the voluntary student unionism regime. I would be interested in the views of any other people at the table as to the effect of the VSU legislation when it was introduced in WA, whether universities were forced to come to the rescue of student services and whether the partial repeal of the measures had any positive effect.

**Prof. Garnett**—Certainly over the period, from memory, from 1998 to 2002 our guild had to be financially rescued by the university. There were a range of reasons for that but VSU was certainly a powerful one. Since the new regime has been in place with the state government introducing VSU and the capacity to charge an amenities fee the situation has been more robust financially than it was before. I guess we are fairly comfortable with the notion of an amenities and services fee. We support that. We also support the obligation that the guild has to come to the party with the university in determining how allocated funds will be spent. The students have the right not to be members of the guild. There is a formula that requires us to pay a certain proportion to the guild, depending on the percentage of students who opt to be guild members. We think there are good checks and balances. The one issue we are not comfortable with at the moment is an aspect of the WA legislation which relates to ECU. We do not believe that the accountability measures have the teeth that they might need on occasions, but that is an idiosyncratic aspect of the legislation rather than a problem of principle.

**Prof. Seares**—There is a document—everyone will have seen it—from the Australian Liberal Students Federation which deals with the VSU experience in Victoria and Western Australia. In that document some comments are made about Western Australia which are not really borne out by the records in this university. There is a comment about the financial health of the guild in 2000. Certainly, it had improved from the previous three years but that was as a result of, firstly, an annual grant from the university being established; secondly, a one-off grant to help stabilise it; thirdly, the removal of the sports association from the guild to try to relieve it of the financial difficulties of running the sports association and to base it on a more commercial model; and, fourthly, the deferment of a loan and, ultimately, the university buying back some of the building that the guild had paid for.

So there was quite a mass of different forms of financial injection into the guild to try and help it through that period. I know that the guild president will be here later and I have seen their submission. They have outlined some losses of services during that time. There was significant financial support from the university and there was a reduction in the services, as I understand it.

**CHAIR**—I would like to take up the point of health and welfare. I accept that for some universities which are in rural and regional areas the provision of those services would pose some problems, given the lesser capacity those centres sometimes have to attract professional staff anyway. But for a university such as this, in Perth, isn't it possible for normal community services to deal with the students rather than having specialised services located on campus?

**Prof. Seares**—I think the issue is not only about availability but also about cost. I am sure there are community agencies, but most of those I think are running on a fairly commercial fee-for-service basis. That is the very reason that we try and maintain these services on the campus for the students.

**Senator GEORGE CAMPBELL**—We had representations made to us yesterday on behalf of the University of Southern Queensland and the guild there. They informed us that they are now taking steps to wind up their services and activities. When we asked them they said it was because they had outstanding loans, they were an incorporated body and, if they

continued to trade, in their view, under the legislation they would be trading while insolvent and that that would be a breach of the law.

What is the situation in the universities here? Are you in a similar position to the University of Southern Queensland? Will you have to look at whether you will have to wind up your services and organisations or whether they can continue? Are you incorporated bodies? Have you set aside contingency funds to meet redundancies and other payments to staff who are employed? Is that going to be an issue? I noticed somewhere in one of the submissions—I think it might be in the ACUMA submission—that the University of Western Australia said that you were able to manage these things on the last occasion but the resources have been considerably run down and that would not be available on this occasion.

**Prof. den Hollander**—I think this is an issue. The last time it happened here, of course, the federal government at the time stepped in and, if you remember, gave considerable amounts of money to the organisations here. This time that will be specifically excluded, so universities would have to do it from other moneys that they have, if it came to that. I think the governing bodies of universities are much stricter these days and are required so to be, so the guilds will be much more closely monitored to make sure that that does not happen. They will be forced to wind down before they ever reach those quite difficult issues.

I think it is a real danger in WA. At the moment Curtin collects about \$2 million. As of 1 January they are going to have to find that money. We have already gone into talks with them, saying: 'In the event that this legislation goes through, what are you going to do? You need to do things now to prevent all that happening.' The reality is they are going to get less than a third of that money to begin with and they will have to start building up. Governing councils, particularly at my university, are very aware of the position and are starting to look at what it is that we would be required to do. I agree with Edith Cowan University on this matter. It is going to be quite difficult for Curtin to divert significant amounts of money to student associations because we simply do not have those kinds of resources available to us across the campuses that we control in this state.

**Senator GEORGE CAMPBELL**—Would it be a practical proposition for any of the university guilds to continue, provided the service is purely on a fee-for-service basis?

**Prof. Garnett**—If we are talking about user pays—a walk in the door and pay the fee proposition—I do not think that will work. Margaret has already made the comment that they are a bit like local council fees, only at a much lower level. If students want representation in relation to an appeal or a concern about harassment or whatever it is, they are not usually in a situation to be able to say, 'I'll find the \$100.' If it were on a voluntary basis and the guild were to maintain its current level service there would have to be a bigger fee for the person walking through the door. I just do not think it is workable, quite frankly.

**Senator GEORGE CAMPBELL**—Do the other universities have a similar view?

**Prof. Seares**—Added to that, there is the staffing complement. If you are working on a very ad hoc fee-for-service basis, that is going to be very difficult in terms of staffing requirements.

**Prof. den Hollander**—One of the interesting things I have found of late is that Centrelink is a great conglomerate and a Commonwealth funded body and many of our students have to

use Centrelink. It is quite complicated. If you are a first-generation university student with no history of dealing with any of the kinds of costs and things that are related to how you balance full-time work, education and what load you should have, you often need advice. One of the things that the guilds have done brilliantly is to provide some of that advice. That will go. It is expert advice: you have to buy it and you have to train people. You cannot do that on an ad hoc basis, and I wonder how we are going to balance all of that. Universities will probably have to pick that up at the cost of something else, because we must get that advice to our students.

You would know the financial position of many students in the country at the moment. Particularly at Curtin, we have a goodly number who are in what I would call the low socioeconomic brackets who, by definition, travel long distances to university; who, by definition, do not have a history of education, particularly at the tertiary level; and who, even though they are very clever, intellectually driven people, find some of the organisations quite complicated. Guilds have always had a good role in doing that peer to peer advice, and it is disappointing that that would then have to be taken over by a more faceless part of the institution which is larger and, by definition, in a position of power.

**Senator GEORGE CAMPBELL**—What is the likely impact of this service withdrawal on the student body and on your capacity to take a holistic approach to university education? If you take away the services and there is going to be a very narrow focus on the academic pursuits of the university—classroom, teacher, student—and not a focus on the broader life issues that students also need to get an education in if they want to survive out in the marketplace, is that broader education going to suffer severely, or can it be accommodated in the existing arrangements that you have within universities?

**Prof. den Hollander**—I think that is the heart of the matter. I think the great disappointment will be that universities will become places that you come to to quickly attend your lecture. You will then go home, get on the internet, download what you need to do and do it, and the rest of your life experiences will have to occur somewhere else in the community. If you look back in history at some of the great universities in the world, that has not been the case. Those campuses have been places where intellectual thought, relationships, the capacity to deal in a tolerant manner and the capacity to deal with diversity and difference have been built. I think that element of education will be the great loser in all of this. We certainly noticed it during our period of VSU, when people did leave campuses and did go home and things did not happen. While it may seem trivial in the scheme of things—people are dying et cetera—I think it is going to be one of the huge deficits in our situation if guilds do have to spend all their time simply running marketing type enterprises to get people to join them.

**Prof. Seares**—Beyond that, I think the wider community is disadvantaged in the longer term. You may have seen an article in the higher education supplement in the *Australian* this morning from the arts sector, voicing great concern about the future of the theatre—and, from my own personal perspective, I have had a long involvement in the arts—and also the future for musicians. The arts have been a creative force that has come out of many of Australia's universities, and you will have heard all the discussion about sports.

But there are other areas as well. As I mentioned earlier, volunteerism is something that can be really well bred within universities, and that is something our community is expressing great concern about. In the next generation where will those volunteers come from, where will they get their training and where will they get their enthusiasm for volunteerism? That is something that we feel at UWA is a long tradition in our student body and it is something we are very concerned about for the future.

I think it would be fair to say that those on our governing body, the majority of whom are external people and most of whom are from the corporate sector, are very concerned about the impact that the legislation and the withdrawal of an amenities fee—this issue is not about VSU; it is about the amenities fee—will have on the ability of the campus not just to stimulate the lives of the students while they are here but to make that contribution back to the community. We look at all the people who have come out of this campus and who are leaders in our community both nationally and in the state, and even internationally—people like Rod Eddington—and we track back and we look at what they did when they were on campus. To a person, they were heavily involved in the activities on the campus that were stimulated by the guild.

**Prof. Garnett**—If I can just support those comments, I think that the quality of the students' overall experience will suffer. We talked a bit about advocacy and health and welfare, but there are other things like cultural activities and sporting activities. Some of the funding that goes to the guild is currently funnelled out to the Postgraduate Students Association and to the international students association. They run a series of activities to build student camaraderie. They have an international day for international students. Those sorts of things will disappear.

**Senator GEORGE CAMPBELL**—Do your universities run regional campuses? Do you have remote campuses?

**Prof. den Hollander**—Curtin certainly does.

**Prof. Seares**—We have one in Albany.

**Prof. Garnett**—We have a largish one at Bunbury, with about 1,000 students.

**Senator GEORGE CAMPBELL**—What is the likely impact going to be on students at those campuses if services are withdrawn?

**Prof. Seares**—I will just mention our Albany campus because it is a slightly different model from the Bunbury campus. The students normally undertake their first year of a Bachelor of Science, Bachelor of Arts, Bachelor of Economics or Bachelor of Commerce in Albany and then come to Perth. While they are in Albany they are reasonably well off. They are a small cohort. We have a lot of tutors down there and we have the centre there. It is when they come up to Perth that the provision of the services is most important because they are leaving their families down there and they are not socially integrated into an existing first year. They come into second year, or even third year in some cases. They have a very great need for the support services provided when they get here.

**Senator GEORGE CAMPBELL**—So those are students who may come here for two or three months out of their three or four years at university?

**Prof. Seares**—Those particular students will come for the remainder of their course. The disadvantage for them is that they are not part of a first-year cohort, except for a very small group in Albany. They are not part of a larger social group when they arrive here.

**Prof. Garnett**—I will just distinguish between the two groups. There are regional students at Bunbury on our small campus there, which, because it is a small campus, is always struggling, I guess, to deliver the sorts of student experiences that we are talking about in larger campuses. The availability of services and that sort of experience will further diminish in Bunbury but Margaret's point is a good one as well—that is, that regional students who come up to Perth need support probably more than metropolitan students who have their family to support them. But certainly on the Bunbury campus I know the guild has supported the student body down there to run various activities as well.

**Senator GEORGE CAMPBELL**—It is quite obvious from some of the statements that have been made by a number of Liberal politicians, and I think in the submission from the Liberal Students Association, that the real focus—in their minds, anyway—of this legislative agenda is about curtailing student political activities. It seems to me that the consequence of that is that it is going to also curtail the capacity to provide student services. That may well be contributed to by the terminology that is used to describe different bodies around the place—unions, guilds et cetera. They all get mixed into the one pot and there is no separation of identity.

On student political activity, it seems to me that it should be relatively easy to separate services from political activities, but I do not know why we would want to curtail students' involvement in political activities anyway. We do not curtail the involvement of young people out in the community in political activities. I think there are a lot of activities students get involved in that can be described as political but they are very much about representing their interests and the interests of future students, as opposed to party political, in that sense of that term. Would it concern you if the capacity for students to engage in that dialogue and debate about issues were affected as a result of this or that services were the casualty of trying to crack a walnut with a sledgehammer, as I described it the other day?

**Prof. Seares**—In this state, freedom of association already exists on our campuses by virtue of the fact that we do not have compulsory student unionism. Students are still free to engage in political activity or political association but, at this university, the list or the criteria that the guild have been allowed to expend the amenities fee upon—which is set down by the governing body—does not include overt political activity.

**CHAIR**—How do you make sure that happens?

**Prof. Seares**—Two of our senate's subcommittees—our governing body is called the senate, not the council—oversee the reports and the setting of the criteria with the guild. One of them is what we call our strategic resources committee, which looks after all the financial and resource issues in the university. The other is the audit and review committee, which receives the report of expenditure.

**Prof. den Hollander**—Similarly, at Curtin there is a financial plan plus a report that must be provided quarterly to the council. That is scrutinised. Questions are asked and comments are made. The council does have overarching powers in that regard. To add to that, I was just



looking at the information for 2003-04. In this state, association with the guild is in a voluntary capacity. The amenities and services fee is a compulsory component. You can choose to opt out of the guild and say you want the whole amount of your amenities fee, which is \$100 at Curtin, given to the university, which then decides which services it is spent on. The guild has no say in that matter.

This is projected and marketed quite prominently at the very beginning of enrolment so that people know, because there was some criticism at the time that nobody would ever know that they could opt out. We have made a point of making sure that every student understands this. In 2003, \$3,110 was retained by the university from students who had opted out. You can work out that that was 311 students. In 2004, \$4,200 was retained. The number of people who opt out is negligible. The number of complaints that we have dealt with has not been significant in this matter. I find that quite interesting, and I think it is an important point to note that there is a separation of being associated with the guild and having to pay a services fee which then provides services for the common good. I think the two things in WA have been well separated under the governing councils of the universities.

**Prof. Garnett**—I add to what Jane is saying there. We are very much the same in that students can opt out of the membership of the guild if they wish to do that. The fee is the same—that is, about \$100. We have a fees allocation committee, which includes a neutral chair, two representatives from the guild and two representatives from the council, who work around what the expenditure will be in advance of any one year. There are 10 categories of expenditure that are allowed. Once they come to a conclusion and agreement, that fees allocation agreement goes to our governing council for endorsement each year.

**Senator GEORGE CAMPBELL**—During the period that you had VSU in Western Australia, was there any discernable drop in the political activity that students were engaged in? It seems to me that, if the resources are cut off—and that is what the legislation intends to do—that is not necessarily going to curtail political activity by students. It may well limit the range of students who get involved in political activity but, if students are political activists, they are going to continue to be political activists whether they are funded or not. It does not take a lot of funds to be a political activist.

**Prof. den Hollander**—I agree with that. I think you should never assume that the people who are politically active are guild members. They may be one and the same, but they need not necessarily be the same.

**Senator FIFIELD**—Sorry, just on that point: do you get to vote in standing guild elections if you are not a guild member? I assume not.

**Prof. den Hollander**—No, you cannot. But you can certainly be politically active on the campus whether you are a guild activist or not. And certainly those people exist to this day, and always have. To be democratically elected in the guild, you must be a guild member and go through an election process through the year. Then, to be representatives in the university committees, you are required to do that.

What I noticed during the period was that the contribution to the university was distributed to some extent because so much time was spent on other things. That was disappointing. What I have noticed particularly at Curtin in the last year, which has been very interesting, is their

involvement in teaching and learning student evaluation. In some cases my view is that students have driven the university to a much more sensible, up front, transparent way of evaluating the student experience in the classroom on the campus et cetera. That is to the good of us, because it benefits us in our external markets and the like, and that has been extraordinarily useful. I think political activity is political activity; people get involved in politics. What surprises me is that we are concerned that they do. In a democracy, surely we want people to be interested in our communities and the things that happen in them.

**Senator GEORGE CAMPBELL**—Would the part-time nature of the services—the fact that you have a high demand over periods of the year and a low demand for other periods of the year when students are not on campus—create a circumstance where it would be difficult for those services to be provided by sources outside of the university?

**Prof. Seares**—I am sure the sources would be available. Some of this is about availability but some of it is also about cost. They may well be available, but whether they will be available at a cost that is feasible for some students is an issue.

**Senator GEORGE CAMPBELL**—The other argument that has been used—and I will finish on this question—is this ‘freedom of association’. That is translated into freedom not to pay the service fee. I wish we had the same freedom not to pay taxes other than the ones we think we ought to pay or we would like to pay, but we do not have that. But we do have a student, who appeared before us in Melbourne, who made a point similar to what your view of it is, who said that the payment of the service fee was a cost of going to university, and should be seen in the context. In the same way that paying HECS, paying for your books and so forth are costs of going to university, it should be seen in that context, not as something that is separate, distinct and apart.

**Prof. Seares**—That is the attitude that we are trying to inculcate with students, that going to university, as I said earlier, is not just about training. We are not just training institutions; we are educational institutions with all that education implies. I think what that student expressed is an eminently feasible way of viewing things.

**Prof. den Hollander**—If you go back to the AVCC survey *Paying Their Way*, the cost of education is expensive. I know you can defer quite a bit of it up front, but of course that just gets you through the door and then you have to do everything—commuting et cetera; I do not need to go through all of those details. There is something there.

In WA, we have kept the ceiling down. It is between \$100 and \$110 at each university for a full-time student, and then proportionately therein as you go to part time. I think that has added power to our system. When you then say, ‘What can you get for \$100?’ if you have to pay up front, the fact is that you will not get a counselling session for less than \$50. If you have to go to an advocate or a lawyer and get some appeal information, you would spend the \$100 in the first 20 minutes. If you start to balance all those things up, I do see it as an inclusive cost of coming to university and having all the services that you would need at your fingertips and to delay more of the cost at the point of need, which we find is one of issues at the moment. Buying text books, getting a roof over your head, getting to university every day are the things that cause attrition, rather than the actual tuition fee, which is paid up front and is deferred through a reasonable system that we all agree on.

**Prof. Seares**—You may wish to inquire of our guild president on this issue, but we have been told a number of times by our guild that, during the period of voluntary student unionism at this university, the services were used by many more people than had voluntarily signed up as guild members. Although some people would rhetorically say that you should not have to pay for services that you will not use, all the evidence is that many of those people did use the services but chose not to pay. Therein lies another equity issue—that relatively few students, around 30 per cent, were paying for services used by many more students.

**Senator FIFIELD**—Professor den Hollander, you stated that students are not obliged to join the guild and that they can opt out but that the fee they pay is the same as for someone who did join the guild. You said that it is interesting that so few students opt out of joining the guild. But is it really surprising that so few students opt out of the guild if they pay the same amount of money regardless of whether or not they join the guild and if, chances are, that money will end up going to support in some way, directly or indirectly, the same range of services provided by the guild? Why would anyone bother opting out of the guild?

**Prof. den Hollander**—That is an interesting question. At the time the legislation was brought in here, the predictions were that the legislation would fail because all the students would opt out. That was the prediction and there was quite a lot of documentation.

**Senator FIFIELD**—If they did not have to pay, if there were a discount on opting out of the guild, I think that probably would be the case. But maybe we are having ourselves on just a little bit if we are surprised by what has happened when there is no discount and you have the choice of joining a guild and paying a certain fee or not joining a guild, paying the same fee and having no right to vote for the people who run many of the services which you are funding. I think it is wholly unremarkable that very few people opt out.

**Prof. den Hollander**—We hold the money back, and the money is then used for specific services that would not be wholly guild activities. Initially we had some plan about what we would do with it. It would go to learning study support et cetera.

**Senator FIFIELD**—If it is a couple of thousand bucks, for the sake of maintaining the purity of the argument, of course you would not send it to the guild. That way you can come here and say, ‘Not a dollar of it goes to the guild.’ If it were a serious amount of money, it would go to the guild.

**Prof. den Hollander**—No. We had identified that it would go to learning study support and a couple of things, details of which I do not have to hand, but the argument has not had to be followed because the money is so small. I will give one other piece of information—I do not have the data here but I could send it if you wish. We have a Curtin annual student satisfaction survey and, for the last three years, I think, one of the questions we have asked students is: are you satisfied with the services of the guild? That has increased with time. That is quite an interesting piece of data. As our post-VSU amenities and services fee, as we call it—the ASF—has settled in, increasing numbers of students appear to be increasingly satisfied with the services our guild has provided to them. That has interested us because I had expected that, if students were resentful, that would have been one of the places where they would have made it very clear to the university: ‘We think this is a lemon and you should get rid of it.’ That has not been the case. Maybe the moneys at Curtin are small—the fee is \$100,

although \$100 is \$100 when you have nothing to live on—or it may just be that the services are better and the survey is reflecting it as it is. I tend to take the latter view—that the services are improved, that there is good representation and that the guild is seen to be doing things well. The corollary of that once all this goes and the guild is not able to do services is that students would see the guild as being inactive and not helpful to do services. They will criticise it more so fewer people will join, and I worry about that. You can see the whirlpool going the other way. So we are heartened by our current situation.

**Senator FIFIELD**—But do you accept the point that—

**Prof. den Hollander**—I do accept your point.

**Senator FIFIELD**—when you pay the same amount of money regardless of whether or not you join the guild, people will think, ‘Why should I give away my rights to vote on campus when I have to pay the same amount anyway?’

**Prof. den Hollander**—We have not asked our students that, but I take your point.

**Senator FIFIELD**—You mentioned that, under the previous Western Australian legislation, student representation activities dropped off because people involved in student governance had to spend more time marketing the services that they provided. Isn’t it a good thing that students feel an obligation to justify to students how their money is spent and to explain to them the value of the services that the guild provides? Isn’t the obverse of that that, under the other regime, student leaders must not have felt a need or an obligation to explain and market the services to their members?

**Prof. den Hollander**—I think you are taking the point beyond where I was. I think it is true to say that the marketing can be done at different level. Once people are involved in something and the services are there, it is easy to see. If you do not have the services and you have to persuade people to pay money so that you can provide services, it is a very different marketing activity. It needs to have much more ‘rah rah’ and has to be much more in your face at places like enrolment, for example, which is not the place to do that sort of thing. At enrolment you want people to worry about teaching, learning and what their units are going to be. In order for the guilds to survive, they have to get much more involved at that particular point—and of course they must, because they need to get to students as early as they can in their first days here. I think that is unfortunate and unhelpful. None of us enjoy that. Campuses are not about those sorts of things.

Of course you always market, and usually the best marketing is evidential—here are the services—and reputational. When you do not have that because you have no money and you have to build them up it becomes much more difficult and you tend to market things, like hospitality and all those things you would do, to the mass rather than to the individuals who would need particular services at particular times. I think that on the first day of semester it is quite hard to persuade someone that they might need someone to help them with a student appeal because the dog ate their essay, they have just been given a nought per cent for it and they need somebody to come and help with advocacy. It is pretty hard to persuade someone on day one; it is much easier to sell them free tickets to a band. Which is the more important thing in a learning environment? My view is that it is the advocacy.

**Senator FIFIELD**—Or maybe you could bundle them together in a package of services and say, ‘You get advocacy, you get the band and you get something else.’

**Prof. den Hollander**—Absolutely. I would talk to our guild president; I think you are hearing from him in a moment. He is an admirable young man and has done all of those things. They do bundle them together now. When you have to raise every dollar of your own, you need to separate them out. That is what causes the problems.

**Senator FIFIELD**—You mentioned in answer to a comment from Senator Campbell that you thought he had hit the heart of the matter on the issue of life experience on campus. Do you really think that students need to pay a compulsory fee to excite their intellectual curiosity and their energy? If you put a couple of thousand students aged 18 to 23 on a campus, there is going to be action, there is going to be frivolity and there is going to be curiosity. That is going to happen regardless of a compulsory fee, isn’t it?

**Prof. den Hollander**—Do you think so? In Western Australia—and you will hear from all the guild presidents; it would be useful to have heard from some guild presidents from previous times perhaps—that was not our experience. Some things were not able to happen and were not able to happen in the way that they might have, simply because the students did not have the money to do that. I think that some of the activities that the students do on campus, particularly on the cultural side of things, might not happen in quite the same way without university intervention. I feel it is important that students do some of those things themselves. In my view, life on campus now is better than it was before we had this fee in place. I can only tell it as I see it, and that is what I see. I think you can put lots of people together and there will be frivolity. I think life experience is about more than that. Volunteerism is an important thing; giving back to the community is an important thing. You need to provide spaces where that can happen, and that is what guilds do but they need some of the wherewithal to enable that to happen.

**Senator FIFIELD**—There are lots of young people who do not go to university who manage, in the absence of a student guild, to have a lot of life experience and to volunteer.

**Prof. den Hollander**—Absolutely.

**Senator FIFIELD**—So I do not accept that that cannot happen in the absence of a student guild. I just do not accept that. Professor Seares, you mentioned culture, sport and volunteering, and how they are facilitated on campus by the existence of the guild and the things it does. But is there not really a bit of a disconnect between the concept of volunteerism, on the one hand, and compulsion, on the other? You compel students to fund volunteerism.

**Prof. Seares**—I do some volunteer work out in the community. I also pay taxes. I do quite a lot of voluntary work in the arts sector. I pay taxes so that the government will support, for example, the West Australian Symphony Orchestra. Nonetheless, I also put in time to support that orchestra. Above and beyond paying my tax, I still believe quite passionately that it is incumbent upon the community to go the extra mile in support. I see this as being no different. In this university, the student pays \$120. They receive the services, but they are also encouraged to put back even more. I see this replicated in my own actions and other people’s actions in the community every day.

Picking up on Jane's earlier point: there is one thing we have not discussed about the quality of student life now which is a really important issue for Australian universities now and was not so 50 years ago, or even 30 years ago—and that is to generate the sort of campus experience that in the future will make graduates want to give back to their universities. Our vice-chancellor has just been to a number of universities in the United States and looked at the issue of student experience—what the university provides to the students while they are on campus and the way in which that can come back in 10, 15 or 20 years in terms of student support.

In this university, the direct government funding from Canberra is now 28 per cent. One of our five strategic priorities for the university is to diversify our income. One of the key planks in that is to cultivate alumni and philanthropic support from the community. The alumni support comes from people who tell us that they had a wonderful time when they were on this campus. They learnt this, they grew into that and they made these friendships. All of those things come out of the sort of environment that the amenities fee can provide. I think this is a new factor in Australian universities that has not been here for long. In my view, it would be quite disastrous to pull the rug from that quality of student experience, because it will go against all of our efforts to build up a strong alumni cohort that will support us in later years.

**Senator FIFIELD**—I have some difficulty with the idea that there will not be people developing friendships, there will not be people having an experience on campus outside of their academic life in the absence of a compulsory fee. You cited before the example of taxation. We allow government to tax because it provides a social safety net for the whole community. Do we see universities as having a role in providing a parallel social safety net?

**Prof. Seares**—No. I am really talking about the fact that all the evidence is there in the United States that, if the university makes the effort with student fees, in their case, and goes beyond that to support a very vibrant student experience, the students are likely to support that university later on. It is a slightly different area that I was speaking about. If the university, whether it be through an amenities fee or any other way, makes no effort for these students, the evidence is that the students will make no effort for the university once they are graduates.

**Senator FIFIELD**—I direct this next question to all of you. Feel free to respond. I have said this to other vice-chancellors in different places. We trust university students. We think university students have the judgment to decide which university they want to go to, which degree they choose and which courses they choose. They clearly can plan for the long term by deciding to do a law degree or medicine and to think in advance about what specialty they might like to do. They can clearly plan for the long term. Why, when it comes to being on campus, do you not think that university students have the capacity, have the judgment, to decide which services are of value to them and whether or not they want to fund them through a compulsory fee?

**Prof. Seares**—If I could start: as I said, you will hear from our guild president that the university supported the guild through the period when we did not have compulsory fees. Students chose to use the services, having paid nothing. We talked earlier about taxation. We pay taxation for the general public good. To look at it another way, why should students have access to services and pay nothing?

**Senator FIFIELD**—That is the old union argument. Unions might push for something on behalf of a class of workers. Why should those people who are not members of a trade union benefit from that? It is a similar sort of argument.

**Prof. Seares**—I was actually talking about services.

**Senator FIFIELD**—However you define that.

**Prof. Seares**—I see it more as a parallel with public taxation or council rates. I pay council rates. I do not get a lot of the benefits that some other members in my shire do. But that is the standard procedure. I do not see it as being in parallel with a union argument. We are not talking about compulsory union membership at this university.

**Senator FIFIELD**—No. I was just talking about the principle: why should those who have not been a part of the particular group benefit from the efforts of those who have?

**Prof. Seares**—I am asking why they should benefit from the sum of money that other people have paid.

**Senator FIFIELD**—We take that point. What about a card that says, ‘I am a guild member,’ and people having to present that card before availing themselves of a service, whether it be buying a cup of coffee or a cup of tea or a sausage roll or—

**Prof. Seares**—The wonderful thing about working with bright students in universities is that they are very smart. We did try that. But they are very clever at transferring cards—going to the front of the queue and showing the card and then going out of the guild and giving it to someone else. We used to see this happen. Ways are found around it.

**Senator FIFIELD**—Sure. They are bright people. Presumably, there are bright people running the guilds and the universities who are capable of coming up with an appropriate mechanism that can differentiate between those who have paid and those who have not paid. That is my point: that there is the capacity to do that. People can throw their hands up and say: ‘Oh, well, students are clever. It would never work.’ But isn’t there the capacity to differentiate?

**Prof. Seares**—I am sure there is. The point that I suppose all of us are trying to make—and Jane made this point earlier—is that students on day one of any year are never going to know what service they are going to need. What will occur is that in the middle of the year a student might need counselling support or educational support and not be a member. We are not talking about large amounts of money here: we are talking about, in our case, \$120 or \$100. We are not talking about asking students to pay a large amount of money. This is insurance for something that they might need over a four-, five- or six-year period on a campus.

**Prof. den Hollander**—If I could add to that: you asked whether universities provide safety nets. They absolutely do. That is an interesting point. The massification and diversification of the educational tertiary population is quite astonishing. It is grown quite spectacularly from probably when any of you or any of us were undergraduates in our first and second years at university.

One of the things that guilds and universities have combined to do is to look at attrition. It still sits at a reasonably high level but the reasons people leave universities now are somewhat different to what they were during our VSU period. We used to have people who would just

walk away because they simply had no money and did not know where to go. I think that will happen again. For \$100, there are ways to interact in those sorts of things. There is a providing of a public good safety net to a smaller level in universities, which is a good thing. External services are often miles away. If you are in Kalgoorlie or out in Bentley and the service is offered in Joondalup and you do not know the region, it is going to be quite hard to get there. That is a valid point that was made, and it needs to be stressed. That is something the guild presidents would probably want to say something about as well.

**Senator FIFIELD**—I will finish on this. My point was that there is a social safety net already provided by the government for people, be they students or not. That is available for students to access. If you take a rural or regional student who comes to university in Perth, in many cases they will probably be much closer to a doctor here in Perth than they would be if they lived on a farm, say. There is a social safety net there.

**Prof. den Hollander**—At Curtin, the medical service is actually provided by the university. It is mostly a self-generating one. That is not one of the services that our amenities and services fee covers. The things I am thinking about are counselling, learning skills support and advocacy for the various predicaments that young people and those in learning environments often get themselves into—often through no fault of their own.

**CHAIR**—I have a couple of questions. I guess all of the universities here have truly external students, who may never set foot on the university grounds.

**Prof. den Hollander**—Yes.

**CHAIR**—Do they pay the amenities fee?

**Prof. den Hollander**—I can speak for Curtin. They pay a significantly reduced amount. I think it is \$30 a year, but I would have to confirm that. It is probably in one of our submissions.

**CHAIR**—If you would.

**Prof. den Hollander**—We spend that money on looking at how we can improve some of the things they get. For example, one of the things we did with all our Kalgoorlie students is that we spent quite a significant proportion of money on better bandwidth, because, as you would know, we have regional Telstra problems in WA. So we put in something to assist particularly those people as a consequence of this. We spent much more money than the amenities and services fee, I have to say, but it was part of that, because that is what they need. We also have a telecounselling service, where they can phone in. So those are the sorts of things we have done for them.

Where we have not been able to give services—and in some small areas that has been the case—we have exempted people from the fee through a council resolution because we and the guild together in negotiation have agreed that it is an impossibility in the short time available to do whatever we have to do. So we have exempted some small groups. It is quite new here. It is always useful to remember that councils have the capacity to say, if the services are not going to be provided, that they are not going to charge for them. So we have not.

**Prof. Garnett**—Our fees for external students are the same: \$30, which is 30 per cent of a full-time on-campus student fee. Obviously they are not able to access the medical health and



sporting services that are provided; but they are able to, and do, access the advocacy and representational services that are there on behalf of the guild.

**CHAIR**—The written submission that we had from Professor Poole, the Vice-Chancellor of Edith Cowan University, said on page 4, in the second last paragraph:

To ensure the optimal and transparent provision of services to students, the University acknowledges there is scope to improve how a compulsory amenities and services fee could be administered.

Do any of you have any comments on that? I am not asking you to surmise what she means, but I just thought you might have a view on that.

**Prof. Garnett**—I would think that relates to the comment I made earlier about the accountability issues that we—I think uniquely of the WA universities—have. There is a problem in the act, where, although there is a requirement for the guild to get sign-off, through the fees amenities committee, on an agreed method of allocation to various categories of expenditure, there are no teeth in terms of accountability if that agreement is not met. That is a concern that we have had in the past. The guild will have a slightly different point of view, I am sure, if you want to ask them that question.

**CHAIR**—Yes, I will. Do you think that, if this legislation is passed, it will affect your ability to attract foreign fee-paying students?

**Prof. Garnett**—In the short term, it may not make that much difference. I do not think the international students will say, ‘I have to pay \$100 extra; I am not going’ or ‘I am going’. But it will impact on their opportunities to access some of the cultural and social things we have been talking about: international days and those sorts of activities, which are funded out of these guild funds predominantly.

**Prof. den Hollander**—Yes, I think it will. Curtin has a huge international market and one of the things we have struggled with, being a brand-new university and not having huge benefactions and the like, is the comparison between our university and the universities in the eastern states. People ask, ‘Why don’t you have a big recreational centre and why don’t you have blah, blah and blah?’ They compare us particularly to our major competitors such as the University of Queensland and Monash University. When you compare some of the services, you find that we do not have what they have. So, our university is looking how to make sure that those services exist, because international students absolutely need access to some of the really difficult things: learning skills, advocacy, appeal rights, counselling and medical advice on the campus when they are on the campus. They need those things for all sorts of reasons: they are away from home, lonely and have all the cultural threats that people feel when they are in a strange environment. I have some concerns as to what we will do, particularly now in our very competitive markets in Australia, as a consequence of all sorts of other aspects of the legislation that have raised the competitive high jump. I think quite an important issue for the publicly funded universities is how we are going to compete in those markets. We are very successful at competition and I am sure we will prevail but it is certainly going to be extraordinarily difficult.

**Senator GEORGE CAMPBELL**—I would like to ask a follow-up question that has not been asked in this discussion about services. Obviously, the services are a continuum. They have been built up over a period of time. Areas of need have been properly identified and the

services have grown to meet the particular needs of students over a period of time. So you do not sit down at the start of each year and say to students, ‘What services would you like this year?’ You provide a range of services. I presume new students coming into the university would not have a clue what services are provided, in the main, or why those services are there, but would experience why there is a need for them during their experience at university.

I also understand that there is a fair investment in infrastructure in providing these services. You would not take a decision to spend substantial resources on infrastructure unless there was a considerable demand for the services. How do you finetune the service provision and the types of services you provide? Is there a body that makes decisions about discontinuing certain services and introducing new services? How are those decisions taken?

**Prof. Garnett**—If you are talking about services that the university provides, we have a variety of mechanisms for getting feedback from students: surveys and those sorts of things. If you are asking how the guild modifies what things it offers—

**Senator GEORGE CAMPBELL**—I presume there is a range of services that are provided, some by the university and some by the guild, and some are probably provided by a mixture of both. How is a decision-making process engaged in? How are the students consulted in that process and what input do they have in determining the services that are provided?

**Prof. Garnett**—It is probably better for the guild to be asked about what the guild offers but certainly those issues would be raised as part of the fees allocations committee deliberations that I mentioned previously. But in terms of how the guild gets feedback I suggest you ask them.

**Senator GEORGE CAMPBELL**—Students would be involved in that committee?

**Prof. Garnett**—Sure. There were two members of the guild, two members of the university council and an independent chair.

**Prof. Seares**—In the case of the University of Western Australia, the type of discussion that I think you are referring to takes place within our senate committee, on which students sit.

**Prof. den Hollander**—It is the same at Curtin. There is a quite a deal of monitoring. We also have a student progress committee which reports directly to our academic board, which goes to council, where many of the issues would come up. As a consequence of those discussions, decisions would be made. We have tried to have a loose policy of nonduplication—if you do it; we will not, and vice versa—so there is no competition. For example, child care is provided only by the guild, not by the university. We have loosely gone along with that and it has been a useful model to use. If it is something close to the heart of the guild, the university will move out, and vice versa.

**CHAIR**—As there are no more questions, I thank you very much for your appearance today.

**Proceedings suspended from 10.08 am to 10.30 am**

**GORMAN, Mr Patrick Possum, Guild President, Curtin Student Guild**

**HENDON, Ms Rikki Lee, Education Vice President, Curtin Student Guild**

**MAHNEY, Mr Gregory Edward, General Manager, Murdoch University Guild of Students**

**WHELAN, Ms Barbara Ann, Guild President, Murdoch University Guild of Students**

**CHAIR**—Welcome. Thank you for your submissions. Before we ask questions, I invite you to make a brief opening statement or to refer briefly to your submission. You can also indicate if you wish any of your evidence to be made confidentially to the committee.

**Ms Whelan**—As you have my submission, I will not talk to that too much. The major point that I would like to make right now is that VSU in the form that we faced it in Western Australia resulted in a loss of services and, more importantly, a loss of opportunities. At Murdoch University, we had some problems with regard to students getting attacked on campus, so there was a security escort service available from the central metropolitan campus to its surrounding suburbs. In 2002, under voluntary student unionism, the university was not able to fund this escort service and the guild was not able to support it in any way because of our financial situation. Since a repeal of VSU, we have been able to get a security escort service that runs from the central metropolitan campus to the surrounding suburbs after dark, so students can get a safe escort off campus. That is one of the opportunities that we missed under VSU, and it was a service that was vitally important to students. The point I would like to make is that VSU, as it is currently legislated, would result in not only lost services but also lost opportunities, and that would affect the student population a lot more than just VSU as it currently is.

I would like to introduce Mr Greg Mahney, who is the general manager of the guild. He was the general manager both under the VSU and under the current system that we have. He would be able to talk about it a lot better than I can.

**Mr Mahney**—I have held the position of General Manager of the Murdoch University Guild of Students since late 1999. Voluntary student unionism was already in place when I became general manager, but I was general manager at the time that it was abolished and for the subsequent two and a bit years where there has been a compulsory fee. That has given me the opportunity to see the difference between the two systems. The opening observation that I would like to make is that the Murdoch guild of students definitely would have folded if the VSU legislation, which had been introduced by the previous state government, had not been repealed. In fact, we were only saved by the university expending its own money to give the guild loans to support the guild. Of course, it was only prepared to give any substantial sort of loan once it knew that the state government had actually introduced the legislation to change it.

If the guild is to survive under this proposed legislation, it will be a situation where our guild will be able to provide a very diminished level of services. The VSU would also have an effect on a number of the small businesses which you have on campuses, particularly in our situation because of the reduced activity around the guild building activities. An independent

record store, CD shop and ticketing agency closed under the VSU period, even though they were not run by the guild. Likewise, a computer shop closed due to the lack of activity passing those businesses. The guild also had to close its own shop and it made numerous other changes.

The change I have seen since the VSU legislation was abolished in the state sphere is that the guild has been able to do much more with the services it can provide. It has spent more than \$100,000 in the last couple of years on capital works, which for our organisation is a substantial amount. The proposed legislation has already stopped us investing a similar amount this year. We need to save our money until we find out exactly what is going to happen.

The security escort service, which the guild president just mentioned, is another service which we were only able to provide after the fee was made compulsory. Initiatives such as funding clubs and societies, putting much more money into sports, establishing some scholarships and providing a range of other services were only possible because VSU was abolished and there was a compulsory fee. If VSU were once again introduced, we would immediately have to cut back on these sorts of things because they could not be sustained on the amount of money we would have. We believe there are other models which could be introduced which would serve the government's policy objectives but still provide services on campuses.

**Mr Gorman**—I am here to advocate for the current model of amenities and services fees which we have at Curtin University of Technology and obviously across Western Australian universities. It basically involves collecting a relatively small fee—small in comparison to those of other states—of between \$100 and \$140, which allows student organisations such as the Curtin Student Guild to provide student assistance services. We have just started a new guild legal service, which has filled a gap and is a service that has never previously been available at Curtin University. That has been fantastic.

Obviously some of the money we receive goes into projects such as supporting child care. I would like to reiterate some of the points that were made earlier about holding off on capital works, which we have also experienced at the Curtin Student Guild. Under voluntary student unionism, a number of things were put on hold and the infrastructure of the student guild in its ability to provide services was depleted. Yet here we are again in 2005 with the prospect of not being able to build an expanded child-care centre because we do not have the guaranteed funding in 2006 to allow us to pay back a loan if we were to take one out.

Our submission, which I am sure you have all read, outlines many of the services that were lost under the previous round of voluntary student unionism and some of the things that have improved under the current system. One of the most notable of those is the re-engagement with regional campuses under voluntary student unionism. In particular, Curtin University has campuses at Kalgoorlie and the Muresk Institute of agriculture, which is based in Northam. Both those campuses were unfortunately but necessarily absolutely ignored by the student guild from 1995 to 2002. We did not have representatives go out there to talk to students about the issues they were facing and we could not provide them with funds to do some of the things they needed to do, such as resurfacing the tennis court at the Muresk Institute of agriculture. In 2002 you could not play tennis on that tennis court. We were able to provide

them with \$10,000 from the student funds that they paid compulsorily, and they were able to resurface that tennis court. These are some of the really practical things we have seen improve.

**Ms Hendon**—Obviously, as the last in this line of people, a lot of what I would say has already been said. I would like to point out that, under voluntary student unionism, it is the most marginalised students that miss out. Under voluntary student unionism at Curtin, because of financial difficulty, we had to cut back on our services. We ended up having to cut back on our women's room, our queer room, our Indigenous room and our disability room. The people who need our services the most, the people who are in difficulty and equity departments, really suffer under VSU. I will keep this short and sweet because much has already been said. I think it is important to say that under this legislation I fear that those marginalised groups on campus would become even more marginalised.

**CHAIR**—Thank you for that. You might like to tell the committee what the feedback has been like—particularly from first year students, if you have received any feedback from them—not only as to the proposed legislation but also as to the issue of the payment of guild membership and the provision of services.

**Mr Gorman**—The first thing that first year students stepped onto campus for was the orientation day, which we held at the start of first semester. The guild runs that entire day. It allows first year students in particular—and we have about 7,000 students in total—to attend. Most of the first year students come to that event and see a nice, friendly presentation on the Bentley campus of Curtin University and on all of the services that are on offer. We got feedback after the bills for the amenities and services fee of \$110 went out in May. We received some negative feedback from students. We then replied to those students, saying, 'Look, this is what it is going towards,' so we make sure they understand what it is going to and we reiterate to them the accountability mechanisms and how they can lodge a complaint with us or provide feedback if they feel there are other things that they would like to see the money spent on.

**CHAIR**—What is the negative feedback? What issue does it concentrate on?

**Mr Gorman**—It is not about the services that are provided. It is about the fee and how students have to pay it by a deadline. The most important thing we remind students of is that, under the current legislation, they have a number of options as to how they pay that money. They can talk to the university and defer it over a number of weeks. They can obviously delay the payment by saying, 'Look, I work only during the summer months. It is May, and I will pay it in January, when I am actually working and can afford it.' They might say, 'My Centrelink payments are not going to kick in until mid-year, because I have not gained independence yet.' Students are told a number of different things like that to say. They are told, 'Okay. You do need to pay this money eventually but it is not going to be an upfront fee straightaway if you cannot afford it.'

Probably the most important thing that we pass on to students is that under the current system they do not have to pay it straightaway if they do not have the capacity to do so. That is completely different from the previous system, under which we had to have membership stalls with portable credit card machines. If a student wanted to be a member to receive the

benefits, they had to pay the money straightaway. That actually locked out more students from receiving the benefits of being a guild member than does the current system, which actually ensures that everyone can receive the benefits before they are sent a bill. They can receive the benefits for about five months before they are even sent the bill.

**CHAIR**—If the services that you provide are popular and sought after by students, what makes you think that they would not be maintained on a user-pays basis?

**Mr Mahney**—Our experience at our campus and others in Western Australia is that, where students are given a choice of paying money or not, quite often they will choose not to pay the money. A lot of the services that guilds provide are the sorts of things which do not lend themselves easily to a user-pays sort of thing. For example, the security escort service, which the guild president mentioned a short while ago, is really for students who are coming out of a classroom, notice it has got dark, feel scared and want to get a lift to another part of the campus or to immediately surrounding areas. It is not something that they will necessarily pay for. If they have to pay a taxi type fare for that sort of thing, they will not; they will walk.

It is a similar case with welfare type services—appeals and other sorts of things. Students do not think they are ever going to fail units or they are going to need to appeal or they are going to get stressed during a semester, so they are not going to pay for those sorts of services up front. When they actually are stressed because, for example, they have got financial problems, that is not the time to ask them for a particular fee. I will give you an example as to that case. Under voluntary student unionism, when students would come to our education and welfare service and say they wanted help we would ask them if they were a guild member. Even if they were not, we would actually still help them because they were students and needed help, so we would provide the service anyway, even though they had not paid the fee.

**CHAIR**—For my next question I will be referring to a report called *The VSU Experience in WA*, which was put together by Tertiary Balance Pty Ltd. Are you familiar with that report?

**Mr Mahney**—Yes, I have read that report.

**CHAIR**—It comments on the experience of Curtin guild, in particular:

Curtin Guild proved to be relatively adept at re-focusing more of their business around the commercial services to students. During the period of WA VSU the Guild grew its sales revenue on average at more than double the CPI rate.

Obviously, there must have been a lot of effort put into making services and products attractive to students and at a rate at which they could buy them.

**Mr Gorman**—Definitely. Obviously, the sales had to improve at the outlets, because we needed to use those to subsidise some of the representation and advocacy services that were provided. I realise that this is not necessarily an option that other universities have, where they may be in a split structure or within a number of other structures that exist. The focus came back on to the commercial side, because the guild needed to use that to subsidise some of the admin costs, such as child care. Administration costs are things such as student assistance services, similar to what Greg was talking about.

As far as the membership process, Greg will say that Curtin guild has adapted, with a commercial focus on its membership. The focus was more on the 18- to 25-year-old student

market—focusing more on the fun-happening type student—which also put us in the situation where we did not focus on and did not pay any attention to those students who were outside that category. We did not have the resources to go and market on the regional campuses; we did not have the resources to market postgraduate or mature age students. Even at that stage, in terms of membership, marketing was still about 20 per cent to 30 per cent of the recurring budget.

Similarly, along those lines, both commercial services and membership still rely very heavily on university support. Obviously, we do not pay rent on any commercial services, which is a huge benefit in terms of being able to use them to make a profit and subsidise other areas. Similarly, with membership, we received a \$20 parking subsidy for each student who became a member of the guild. That allowed us to provide a more attractive package, but it cost the university to do that. Similarly, they provided us with bookshop grants, which we could provide to our members at \$25 per member. Again, that was something that was subsidised by the university. So, while some of those things may have looked good on our books, it may not necessarily have looked exactly the same on the university's books, but they realised that it was important that, one way or another, they subsidise the guild to ensure its continued operation.

**CHAIR**—If the legislation were passed, would you look at going down that track again?

**Mr Gorman**—We obviously would have no other choice but to go back down that track of refocusing on the commercial side, ignoring some of the representation side of the guild's operations. We would obviously have to cut back on the welfare assistance we are able to provide for students. Again, we would have to be on our knees asking universities to subsidise activities, asking universities to provide us with discounts for parking—those sorts of things—which is not in the university's interests. That is not why a student guild is there, but they are the options that students would have to take. Having student representatives going and begging universities for funding—in order to ensure their survival and the continued employment of their staff—is quite an unfortunate situation to put a student organisation or a university in.

**CHAIR**—The same report—in the next paragraph, at 5.3—also comments on the case of Murdoch guild, and I can see that it responded in the same way by reducing the range of services offered. For example, the student diary was maintained but cut back and the student newspaper went from being a colour publication to being a black-and-white publication and fewer editions were published. I agree that that is a reduced service, but I assume that you would never be trying to run a luxury, glossy full-price method of communication with students; nevertheless, that would have provided you with the medium that you needed to communicate with students, would it not?

**Mr Mahney**—Certainly, a black-and-white newspaper still communicates with students. Ours was never a glossy publication, but it had colour covers and a few colour pages in there. But we reduced the number of copies and the number of editions per year that we printed. So, in that regard, it was less effective, but there was no doubt that the students still enjoyed the newspaper—it was a free service—sought it and used it. Also, if it is a less attractive publication, you attract fewer students to participate in it, because you rely on volunteer

students to write the articles or do the photography or the artwork. They are less interested in something that perhaps looks a bit drab, but it is true that it still works as a publication.

**CHAIR**—Was there advertising in that paper?

**Mr Mahney**—Yes, but you cannot charge as much for a black-and-white advertisement as for a colour one.

**CHAIR**—I understand that.

**Mr Mahney**—But, yes, we sold adverts as well.

**CHAIR**—I may come back to some more questions later.

**Senator GEORGE CAMPBELL**—Mr Mahney, yesterday in Armidale we heard from a representative from the University of Southern Queensland Student Guild who said that they had already taken a decision to wind down, on the basis of this legislation being enacted. Could you comment on that, based on the experiences that you had in Western Australia with voluntary student unionism in the 1990s, when membership dropped about 15 to 30 per cent. They did that on the basis of knowing what their liabilities were. They were a normal trading operation, they were incorporated and they had to make provision for their employees—it would mean the loss of jobs et cetera—but they did not want to get themselves into a position where they would be trading from an insolvent position and therefore liable to other legal situations. Is there a similar set of circumstances for both your guilds? Have you looked at what the impact of this legislation might be upon your capacity to continue to trade? What contingency plans do you have?

**Mr Mahney**—We have certainly been planning. We have set aside a sum of money to pay for redundancies, accrued annual leave and other entitlements. Having done that we have less operating money to work with, but it was essential to do that. We have also developed a number of models to look at. This is still a work in progress because we are unsure of what will finally be passed by the parliament. We have also planned what services we might or might not be able to provide. That is a work in progress in that there is still considerable debate with particular students. Different students have different opinions about what is a good service, a great service or an indispensable service. That is something we have done and are continuing to revise as more information becomes available and as we think of new ways of doing things. We are planning for a situation where, as a minimum, with the legislation as it is, about one-third of our permanent staff will be made redundant.

**Senator GEORGE CAMPBELL**—What does that mean in numbers?

**Mr Mahney**—We have about 16 permanent staff, so that would mean something like five positions. But in any one payroll we pay about 70 people, most of them casuals. We did the group certificates or payment summeries the other day; we employed 170 people during the last year. A number of those were in casual positions which will no longer exist or where we will cut back the hours. We almost always employ students on a casual basis, and a number of those positions will not be available.

**Senator GEORGE CAMPBELL**—So the guild helps to supplement the income of the students by employing them on a casual basis.



**Mr Mahney**—Certainly. Wherever possible, for casual jobs we have a policy to employ students. That of course helps them to stay at university and also saves them time as they do not have to travel to a job then travel back to the library or travel between classes. It is very convenient for students.

**Senator GEORGE CAMPBELL**—If you have to cut services as a result of this legislation being introduced, have you already made a decision about what services will go and where your priorities lie in terms of ongoing services?

**Mr Mahney**—That is something we are still looking at. However, it becomes very obvious that you cannot fund some services. For example, we currently give loans to students in emergencies. They are unsecured loans and some students do not return them. But it is a risk we are prepared to take and, in the current environment, can afford to take. We are talking about \$500 maximum. It is possible that, on occasions, students may default or may take a couple of years to pay back the loan. Another example is our book subsidy scheme, where we give people a voucher which they can use at the bookshop or the second-hand bookshop. They are the sorts of services where it is very obvious that there is just an outgoing of money. Under a VSU situation you cannot afford a service where the money is going out and there is no return other than people feeling good and people staying at university. They are the sorts of services which you look at axing in that environment.

**Senator GEORGE CAMPBELL**—Would your priority lie in, for example, providing advocacy services on behalf of students or, in another area, providing a cheap sausage roll or meat pie?

**Mr Mahney**—As Patrick pointed out, there is a real tendency under the VSU—and, as I said, I was the general manager during that period for a time—to make sure that you maximise the profit in those businesses. But the point of the guild in our case really is the services that you can provide to students and how you can help students out. There are things such as our education and welfare service—which is just one full-time staff member—that would, I imagine, be the last to go, because that is really what the university and the guild are about. We would want that service to be maintained. So you try to improve your commercial services to subsidise those things which you see as essential, and they are the sorts of things like the advocacy and representation functions.

**Senator GEORGE CAMPBELL**—Mr Gorman, can I ask you the same question: what contingency plan is there for your university?

**Mr Gorman**—Obviously the first step is to try to make sure that every single business refocuses itself from being a student service to being some sort of a profit-making entity. For example, our student second-hand bookshop is now being geared towards making a profit, which, for something that should really be a welfare service to ensure that students can obtain cheap books, is kind of unfortunate. We are going through another review of all our catering outlets to make sure that none of them are costing us money and at least are returning some amount back to the guild.

Under VSU the result will be that, where we currently provide a 10 per cent discount to all guild members who eat at any of our outlets, that will only be available to maybe the 30 per cent of students who choose to join. But we will also be forced to increase the price of

sausage rolls so that we can use that extra profit to fund other activities of the guild and to ensure that things such as the essential student welfare services are available. And, yes, we will have to make those services available to every student. I cannot imagine how we can justify ourselves as a student guild if we have a student in our office crying because they are about to be kicked out of the university—and in the case of Curtin, which has 25 per cent international students, they may very well be kicked out of the country as well—and we are in a situation where we have to say, ‘No; you cannot access this vital service on the basis that you have not paid the \$100 fee for the year.’

In terms of things that we are looking at cutting, there will be staff redundancies—there is no doubt about that. Where they are going to be has not been identified yet. We will probably wait and see what sort of demographic we get in memberships for next year. Obviously we are trying to be optimistic; we are trying to focus our marketing campaign to ensure the best membership possible. But given previous experience—and I think that is what we are here to talk about—we know that it does not work and we will not get 100 per cent membership under a voluntary environment. For a student, \$100 is almost half a Centrelink payment—it is a lot of money. Again, if you look over towards the Eastern States, you see some fees that are about two sets or one month’s worth of Centrelink payments. If they are making that decision up front as an opt-in arrangement, without those things that I discussed with you earlier about having flexible payment options, then it is going to be an issue. Similarly, they are not going to be able to access things like loan schemes that sometimes help them pay for things such as books, because the guilds will not be able to provide those either.

We are making preparations. We are looking at staff redundancies, and we are looking at making the business side of things more profitable to subsidise our being able to provide services for those students who do not financially contribute to the guild directly. We are obviously looking at huge cuts to club funding. Under the previous round we cut our number of sporting clubs from 25 to nine. We are now looking again at which sporting clubs will no longer be seen to have, I guess, ‘membership value’ insofar as whether or not a sporting club will ensure that students join the guild. So we are looking at cutting a lot of those things. We are looking at the number of religious clubs. We cannot afford to fund four different Christian clubs of different persuasions—that will be an issue. We cannot fund three different Muslim student clubs, so we will have to cut some of those. So they are some of the really unfortunate things that we will be looking at, some of the areas that we will be cutting, over the next few months.

**Senator GEORGE CAMPBELL**—Are you saying that, in the area of student welfare, it is not a practical proposition to even consider providing those services on a user-pays principle, given the emotional circumstances I understand that you have outlined?

**Mr Gorman**—If a student were to come in and say, ‘I need someone to help me appeal a mark’—or appeal an assessment or one of those issues—and we were to say, ‘It’s going to cost you \$50 to sit down with this person for one hour in order to write up an appeal and make some phone calls to other staff, including the university grievance officer,’ I just cannot see how we would be able to justify having that particular service on a user-pays basis. Similarly, with the legal service that we are running, if a student were to walk in and want a consultation it would cost \$140 simply for a one-hour consultation, if we were to do it on a user-pays

basis, and that is more than the membership fee for the year. It is there for the students who need it, not necessarily because every student needs it every single year.

**Senator GEORGE CAMPBELL**—Mr Mahney, is there a similar set of circumstances with your guild?

**Mr Mahney**—Yes, it is very similar. You can afford the services you provide with a smaller fee, because not everyone needs them all the time, but throughout the course of a degree over three, four or maybe five years all the students will access some of the services. It evens out in that way.

**Senator GEORGE CAMPBELL**—The fact is that you will create a set of circumstances where the people who voluntarily agree to join the guild will be de facto subsidising those who do not. If that becomes commonly known across campus, is it likely to be a source of tension amongst the student community?

**Mr Gorman**—It will be. Basically there will be students who will feel frustrated that they have come to support the guild when the guild needs their support most and then other students basically use that service without making any contribution back to the student community, so to speak. There will be things that are exclusive to those members, such as exclusive events and being able to become members of clubs that other students will not be able to access. There would be a range of things. They would get a guild diary that, as we said, the other students would not get, which has a heap of information that will help students throughout their progress through university. They would get the student survival guide and the student alternative handbook, which assesses units and gives you an idea of which units to select for the next six months. Those things would still be exclusive to the students who choose to join. Some things would not be exclusive. It is similar with the representation of students.

Earlier you would have heard that basically the student guild at Curtin sits on a number of university committees. We have worked with them very strongly in terms of IT infrastructure and some of those areas. We have a student progress committee, which basically makes recommendations to the academic board on issues affecting students. There we talk about everything from parking facilities through to disability access. Obviously we cannot represent on behalf of an exclusive group and we cannot ensure that the representation we provide benefits only that exclusive group of members.

**Senator GEORGE CAMPBELL**—Mr Mahney, in your submission—and you may have referred to it in your verbal submission—you refer to \$100,000 which you have spent on capital works at the university. In the event of this legislation being passed, what is going to occur in terms of those sorts of investments? Are you going to seek to try and recoup some of those infrastructure investments from the university? Is there any likelihood of getting the money?

**Mr Mahney**—Because I do not believe there is any chance of recouping it, I doubt that we would seek that. The things we have done have been related to student services and we are delighted to have been able to do those sorts of things. We are not seeking to recoup that sort of money in the future. As I said in my opening remarks, this year we have already decided that we cannot invest in any large projects, so the biggest thing we have done is invest \$1,500

in some roll-down blinds for our coffee shop. That is the extent of our capital expenditure for this year until we can better understand exactly where we are going to be placed in the future.

**Senator GEORGE CAMPBELL**—Nevertheless, in a set of circumstances where the ultimate position is that you are forced to wind up, you have assets sitting in the university which the student fees have contributed to providing. It is reasonable that you would seek to secure what you could with respect to those assets.

**Mr Mahney**—For example, in the case of being wound up or winding ourselves up, that is certainly something you would have to look at within the university. We have made investments in our university. In most of Australia the ownership of the property remains with the university, with the buildings. It may be the case that the guild would have to take the university to court in a situation where the university was not prepared to hand over the money. It is certainly not a situation that we envisage happening, unless we were forced to wind up.

**Senator GEORGE CAMPBELL**—I have one final question. What honorariums are officers of the guild paid?

**Ms Whelan**—The guild president and the education vice-president of the Murdoch guild are both paid an honorarium of about \$20,000 per year, I think.

**Mr Mahney**—It is 0.8 of a base-level clerk, a level 1 clerk, under our award.

**Mr Gorman**—With the Curtin Student Guild, both Rikki and I receive a full-time wage from the student guild that is equivalent to the lowest level of the Western Australia public service sector award. That is \$32,708 in a year. That obviously goes to us representing over 28,000 students, so it comes in at around \$1 per student. We then have five students who represent each one of our divisions. They are on an honorarium of \$7,200 for the entire year.

**Senator FIFIELD**—Mr Gorman, you said that you receive \$32,700, which is the equivalent of—

**Mr Gorman**—The lowest level of the Western Australia public service sector award.

**Senator FIFIELD**—Do you work full time for the union?

**Mr Gorman**—I work full time for the guild. Our regulations stipulate that I have to be there at 8.30 every morning, that I get a one-hour lunchbreak and that I can leave from 5.30 every evening, with minimum statutory requirements in terms of leave, sick pay et cetera. The reality with student organisations, as I think most people know, is that you work a lot harder than that because you are working with universities which have huge resources. Often you are in conflict with the university on one issue or another. You definitely do not do it for the wage; you do it because you believe in what you are doing. Also, at the same time you take the opportunity cost of basically delaying your studies for a year, which is obviously a huge thing for a student to agree to as well. It is just to ensure that the student who does do the role is not disadvantaged by doing it, as opposed to running it as a reward. I do not think we could justify it as a reward for the role; it is really about ensuring that people can pay their rent and basically live throughout that time.

**Senator FIFIELD**—Sure. You mention that students, if they had the choice whether or not to pay the amenities and services fee would elect not to because it represented about half the

Centrelink payment. Who do you think is in the best position to decide whether students should give up half a Centrelink payment—the individual student or the student guild?

**Mr Gorman**—I think the Western Australian government is in the best position to decide that. The decision it made towards the end of 2002 requiring students to pay a compulsory amount to the university, which would then be passed on to the student guild, was the right decision. Along with that, as I mentioned earlier, it addressed some of those other issues that had occurred throughout the voluntary process. Where there were not flexible payment options, you could not receive the benefits until you had made the payment. There were also students who receive the benefits of membership who are excluded from payment under the current system. But I think the Western Australian government has made the right decision to require that.

**Senator FIFIELD**—So you are saying that the government and the guild know better than the student how they should spend their Centrelink payment?

**Mr Gorman**—No, what I am saying is that I think the decision that was made was correct. Students have overwhelmingly supported the current arrangements. Again, obviously student representatives come here via election. We do not have too many students who even run in—

**Senator FIFIELD**—Clearly you think that the guild and the government know better than the students; otherwise they would not have to be compelled to do so, would they?

**Mr Gorman**—The student guilds, representing students as they always have done, and the current Western Australian government came together to say, ‘What is the best way to provide student representation and student services for all students?’ That is the other thing: the target is to provide something for all students. The only way to ensure that these things are provided for all students is to have them universally funded and supported by all students.

**Senator FIFIELD**—Let me put it another way: you think that \$100 is better in the hands of the guild than it is in the hands of the student.

**Mr Gorman**—Because of what it allows us to do when we combine it with the \$100—

**Senator FIFIELD**—I just want to establish this: you think that that \$100 is better in your hands than in the hands of the student; you think that your judgment as to what that money should be spent on is better than that of an individual student?

**Mr Gorman**—I believe that requiring every student to provide an amount to the guild is better than going into a user-pays system on university campuses, because you will not be able to provide all of those services in the same fashion or to the same degree of quality or extent as we currently do.

**Senator FIFIELD**—Ms Whelan, in your submission you state:

The reason that VSU results in fewer members is because students in receipt of Centrelink benefits are living below the poverty line.

What is your evidence for that statement?

**Ms Whelan**—I am fairly certain that is actually referenced in the paper. Yes: it is from the Senate Community Affairs References Committee paper on poverty and financial hardship that was published in March 2004.

**Senator FIFIELD**—What do they say?

**Ms Whelan**—I cannot remember off the top of my head the exact quote that I took that from. But I can get a copy of that paper and forward it on to you if you would like.

**Senator FIFIELD**—If you could, please, cite the section that justifies that statement.

**Ms Whelan**—Yes.

**Senator FIFIELD**—Isn't it possible that there could be other reasons why VSU might result in fewer members? I can think of two. The first is that students might not value all of the services and might think that they know, better than someone else, how to spend their money. Another reason could be that student guilds have not made enough of an effort to communicate with students to advise them of the value of the services that are provided.

**Ms Whelan**—I disagree that that would be the reason why voluntary student unionism results in fewer members.

**Senator FIFIELD**—So not one student would decline to pay on the basis that they do not value or want to use the services? I am confused.

**Ms Whelan**—I am not saying that. Overall, at the end of 2002 we had approximately 30 per cent membership. At the start of 2003, we had almost 100 per cent membership. The only change that students saw was a move from a voluntary fee to a compulsory fee. Some students would not value the services that we offer, and they can opt out. That money goes to the university and the university can distribute it as they decide for student services. If students do have an issue with the guild, they are not forced to become a member of the guild. That money will go to student services, whether that money is spent by the university or by the guild.

**Senator FIFIELD**—They still have to pay the same amount of money regardless of whether they join the guild or not.

**Ms Whelan**—Yes.

**Senator FIFIELD**—But do you concede that there could be other reasons why membership might drop other than what the Centrelink benefit is?

**Ms Whelan**—There are other reasons why the membership would drop. The number of members would drop under voluntary student unionism instantaneously because, if you were not forced to pay a fee, why would you? As a result, we would be able to offer fewer services. That means that there would be less incentive to join the guild. I have shown this diagrammatically in the submission as 'the VSU spiral', where as soon as you drop services you have less incentive to join and so you have fewer members.

**Senator FIFIELD**—But there are a range of reasons why people might elect to not pay the fee in a VSU regime, aren't there?

**Ms Whelan**—Yes.

**Senator FIFIELD**—Thank you. In your submission you also state:

Under VSU, Guilds are forced to use their finite time and resources attracting members to the Guild. To do this, the Guild must offer tangible services ...

Isn't it a good thing that tangible services are offered and that guilds have to use their time to attract members and to persuade members of the benefit of what they do? I would have thought that to be a good thing.

**Ms Whelan**—It is a good thing. Providing tangible services is what we have to do. But one of the things we also have to do is provide those intangible services: the services that students will only utilise when a need arises. So if a student has been basically kicked out of their house, we have a guild there that can provide advice on tenancy. You can talk to them about the actions that you can take. We have a legal service and things like that. They are more intangible. Under VSU, our focus was on the tangible stuff, so the intangibles dropped off the radar, if you will. Because of the financial situation, we had to sack a lot of staff and as a result we could not focus on both tangible and intangible things. It had to be the tangibles that we focused on, and intangibles suffered as a result.

**CHAIR**—Thank you very much for your attendance today.

[11.17 am]

**BACHAS, Mr Michael, Education Officer External Research, Australian Law Students' Association**

**LODDER, Mr Andrew Vere Metcalfe, Vice-President Education, Australian Law Students' Association**

**CHAIR**—I welcome witnesses from the Australian Law Students Association. We have received your submission, which we have numbered 87. You have an opportunity to make a brief statement for two or three minutes to put anything you wish on record or to state your interest in this inquiry. You can also indicate if you wish to present any of your evidence confidentially to the committee. I invite you to make a brief opening statement after which we will proceed to questions.

**Mr Lodder**—ALSA is the peak representative national body for Australia's 28,000 law students. We have 31 constituent law student societies. The key point that we want to get across in this initial presentation to the committee is in relation to the first term of reference. Obviously, we have addressed both in the submission. However, we want to highlight something that has been left out of the debate and that is those organisations which are funded through student unions—organisations such as law student societies that have not been talked about a lot. A lot of the debate has concentrated on student unions and guilds and upon the National Union of Students.

Organisations like ALSA and its constituent law student societies are organisations that, we believe, have not been considered in the debate. These are organisations where there will be large, adverse, unintended effects beyond those organisations at the forefront of the debate. We believe that bodies like law student societies provide invaluable services. These services are often academic services; in fact, many of our constituent members provide tutorials to their members because their law schools are unable to afford to provide tutorials. They provide research grants to their universities in some instances and they provide practical training as a massive part of the law degree program in relation to mooting, trial advocacy, paper presentation and so on—key practical skills which law schools have been unable to provide have been provided by law student societies.

The key point that we wish to get across to the committee today is that organisations in the position of law student societies will be unable to provide academic services as a result of a bill that is intended to target non-academic services. The university will be unable to levy a fee for non-academic services under the proposed legislation. The result of this will be that there will be reduced grants to law student societies to provide these services themselves, the effect of that being that we will be unable to provide many of the academic services that we need to provide to our law students.

We have had indications from our members that six law student societies would cease to exist under this legislation, and that the remainder, including some of the biggest and most well-funded student organisations, would struggle to offer the level of services that they currently do under this model. For example, law student societies at the University of Sydney with, as far as we can understand, one of the largest budgets of our constituent members



would suffer funding cuts in relation to one-sixth or one-fifth of their total funding, which is provided through the fee. I will just pass on to Mr Bachas to address the second point that we wish to make in this initial presentation.

**Mr Bachas**—ALSA has attempted to analyse the effect of this and alternative models of VSU has actually had on those campuses over the last several years. However, I would just like to reiterate Andrew's point that in its current form ALSA is opposed to the bill, but we would like to submit that the policies that we are aware of that are underlying the current bill can be achieved through a more moderate model or through more moderate measures. For example, freedom of association can be achieved by not compelling student membership to the union, and if checks are required on the use of funds collected through a universal fee—and that is indeed one of the policies—this can be done through increased accountability through other sorts of methods and regulations, as opposed to abolishing it in its final form.

In its current form, ALSA believes that it can come under a more moderate model. We would suggest that that best alternative of the ones that have been in the past is the current Western Australian model, and then as a second alternative to that we would look at the past Victorian voluntary representation model. With regard to the final point, which retains the compulsory student services fee by placing checks on student representation, we would like to suggest that ALSA maintains that it is important in empowering students to include them as the major stakeholders with their education. We believe that being part of that university experience with representation within the university itself and to external bodies is something extremely powerful with regard to empowering those students.

**CHAIR**—Thank you very much. What is your membership fee? I understand from what you were saying that there are a number of different ALSA groups around the country. Is the fee, obviously on a pro rata basis, different for each one? Could you give us an indicative nature of the budgets that you run?

**Mr Lodder**—Yes, I can. First of all, to be clear, membership of ALSA for students is free. We charge a membership fee to our constituent law student societies. So ALSA is one body, a national body. There are a number of law student societies that send members to sit on the ALSA council and they pay affiliation fees. Our affiliation fees range from \$230 to \$460 for a university.

**CHAIR**—Is that per person?

**Mr Lodder**—No, per university. We have recently cut our affiliation fees by 33 per cent in recognition of the fact that many of our members struggle to pay the affiliation fee. The affiliation fee represents around \$7,000 to \$9,000 depending on the year, which represents around about 15 per cent of ALSA's total budget. The kinds of budgets we run are around \$65,000 per annum. We consider ourselves to be in a strong and responsible financial position but there is certainly no largesse in our budget at all. It is very tight and very efficient. We do not pay our executive members whatsoever. Everybody works upwards of 30 hours a week voluntarily, so we do run extremely tight budgets.

**CHAIR**—But the law student associations themselves are subsidised by the compulsory amenities fee that is payable at each university; is that so?

**Mr Lodder**—Yes, that is correct.

**CHAIR**—I notice the number of law student society activities that you provide to students and I must say it is a very wide ranging series of activities—indeed, from what we have learnt on this inquiry so far, I consider it to be far and above the normal level of services provided to students in other faculties. Wouldn't it be possible, through mentor groups within the profession itself, which I know is notable for its close-knit capacity, for these to be provided for students by older members of the profession or some of the bar groups in each state—that sort of thing?

**Mr Lodder**—We do not think so, simply on the basis that there is no coordination of the delivery of those services to students that can be provided other than by the law student societies. We have found faculties have been unable to provide these services themselves. They have been unable to provide even key teaching services such as tutorials as part of their lecture programs. Certainly what law student societies tend to do predominantly is go and seek that assistance from the profession for students. They go and seek assistance from bar associations, the Law Council of Australia and so on to come in and provide some of these services. We have incredible support from the profession—coming in to judge our competitions, assisting in a lot of the careers services we provide and so on—but someone needs to coordinate that, and the faculties have indicated that they are not in a position to do so. That is why law student societies have filled such an incredible role inside law faculties across Australia, to the point where they are providing administrative and indeed occasional funding support to their faculties instead of what would intuitively be going the other way around. So we reject the notion that there would be other organisations better placed or that we could be effectively replaced by mentoring from the profession or something like that. Certainly someone needs to set those sorts of arrangements up, and it has been law student societies which have done that and have put in the time and the effort to make sure these services are delivered to students. We do not believe that they could be provided otherwise.

**CHAIR**—So you do not consider that you are providing free assistance to the law faculty by providing these services?

**Mr Lodder**—We do consider that we are providing free assistance to the law faculty.

**CHAIR**—Have you asked for any payment for that from the law faculty itself?

**Mr Lodder**—Some law student societies do receive funding from their faculty. Some have asked for funding from their faculty and not received it. On our figures we understand about six to eight law student societies receive funding from their faculties, but there are at least two that provide funding the other way—to their faculties. For example, the University of New South Wales law student society provides a \$10,000 research grant to their university for working in certain areas of public law.

**CHAIR**—That is out of their own budget?

**Mr Lodder**—Yes. And these are the sorts of things that law student societies receive funding from their student unions to provide. If, for example, even six of these law student societies were to disappear as a result of not receiving this funding—as they have indicated to us will happen—that will be six universities that do not receive these services, and those have tended to be rural, newly established law schools. They would suffer the most as a result of that.

**CHAIR**—For the background of the committee you might provide us with a list of who gets what funding and in which direction the funding goes.

**Mr Lodder**—We can attempt to do that. We believe there will be some confidentiality issues with some of the law student societies.

**CHAIR**—Yes. I do not wish to impinge on any of those, but if possible we would like to learn about that. I also want to ask you about the regional societies who you have described as serving the interests of Australia's most disadvantaged law students. Where are they based?

**Mr Lodder**—For example, James Cook University, Southern Cross University, University of New England and a number of others—we previously had the university of the Northern Territory or the Northern Territory University; I am sorry if I am not sure exactly what the correct name was—form part of the regional subcommittee of ALSA, but again I can provide a list to the committee subsequently with the exact list of which universities we are referring to as regional.

**CHAIR**—And why do you describe them as disadvantaged?

**Mr Lodder**—A lot of these rural law schools have been newly set up and they do not have the teaching infrastructure or the support from, for example, the profession that can be provided in large cities. For example, in Sydney, Perth and Melbourne there is incredible support from the profession. A lot of members of the profession come in and teach at these law schools. In rural and newly established law schools they have been finding it much more difficult to get that sort of support from the profession and a lot of them have been finding it extremely difficult in the current funding environment, which is very heavily skewed against law students—for example, in the Commonwealth Grant Scheme. These law schools have struggled with funding, and they have struggled far more than their established competitors in the big cities. These law students are disadvantaged by a tough funding environment for law schools and the fact that they lack the infrastructure and the facilities that a lot of the larger universities have been able to provide just as a result of time.

**Senator FIFIELD**—In your submission you state:

The argument that if students value the services provided to them by their student association they will be willing to contribute financially to that service is not well-founded. Students often benefit from the services provided by their student association without being aware of the direct involvement of their association.

If students are not aware of the direct involvement of their student association in providing particular services, whose fault is that?

**Mr Lodder**—Certainly a large part of the blame for that would have to fall on the student organisations themselves and we certainly do not shy away from that. But the issue—and it is one that is confronted, for example, by local government and other public organisations—is that when public services are provided, people are often not aware of who is providing those services. Many Australians, I would venture to suggest, do not understand which services are being provided by their local, their state or their federal government and often cannot differentiate. In much the same way, students struggle to identify which services are being provided by their faculty, their union or their university.

In the case of law student societies, that is compounded a bit by the fact that most students would not understand that the money that their law student societies are getting to provide them with services is coming from a compulsory fee levied at the beginning of their academic year. Certainly some law student societies have made a concerted effort to make their members aware of that, particularly in the light of the proposed legislation, but there are issues. I agree about student organisations advertising their worth to students better, but it is a problem faced by all public organisations providing public services and it is a problem no different to that faced by local government.

**Senator FIFIELD**—Roughly what percentage of the Australian population goes to university? You might be able to help me here. I think it is something like 10 or 11 per cent—something of that order.

**Mr Lodder**—I understand it is something of that order, but I would not venture an exact suggestion.

**Senator FIFIELD**—You spoke about students not necessarily differentiating between who provides the services and how they are funded. Students can differentiate between universities, between different courses and between different degrees. A law student clearly has—correct me if I am wrong—a great capacity to differentiate, whether it be between the relative merits of an argument or the benefits of picking a particular course in the degree over another. Why is it that they suddenly lack the capacity to differentiate and to understand when it comes to student services and who provides those? It seems odd to me.

**Mr Lodder**—I think it would be a case of students not turning their minds to those sorts of issues rather than being incapable of differentiating. I believe law students—and indeed most Australians—could, if they turned their minds to it and researched the area, become aware of who provides them with what services. But in an environment where people are simply receiving the services they often do not inquire into who is providing them and who is funding those services. It is our suggestion that certainly people try and make students aware of those sorts of things, but people are concerned about the ends rather than the means. They are concerned that, as long as they are provided with the services that they need, that is sufficient. They do not need to inquire into who funded it. They do not want to look at their law student societies' budgets to work out who has the funding and who is providing them with funding. I believe they are certainly capable of making the differentiation; I just do not think people do, in the same way that most Australians are capable of making the differentiation at a local government level but I do not think many Australians do, because they do not turn their minds to it.

**Senator FIFIELD**—You are not blaming the students in that case for not appreciating this as a result of not turning their minds to it, are you?

**Mr Lodder**—No, we are certainly not blaming the students.

**Senator FIFIELD**—So, again, whose fault is it if the students do not understand who is funding the services and the value of those services to them?

**Mr Lodder**—I do not think it is necessarily anybody's fault. I do not think there is a need to attribute blame in this area. It is a question of would people understand the value of the service that is being provided through their fee in a voluntary environment? And even if we

take your proposition that students would differentiate, that they would understand and they would inquire into these sorts of things—and law student organisations should take the burden of proving that to students—then students would also, I am sure, be intelligent enough to take advantage of the fact that they can get those services without contributing. They know that, and they know that they can get a free ride. It is a simple prisoner's dilemma situation: people will not contribute to a service if they know they can get the service for free. University students, and certainly law students, are intelligent enough to know that if they can get something without paying for it then there is no need to pay.

**Senator FIFIELD**—But student union and student guild office-bearers are also intelligent enough to put in place mechanisms to differentiate between people who pay fees and those who do not.

**Mr Lodder**—Not for public goods, no. That is not a matter of intelligence.

**Senator FIFIELD**—Yes, but you can present a student card before you actually receive a service.

**Mr Lodder**—Yes and no. For some services that is certainly the case. The example I used in the submission is the policing of legal fees. In relation to a particular course a student organisation cannot say, 'Those of you in this course who are members of the union will not have to pay the legal fee that we advocated the abolition of and spent considerable time, money and resources negotiating for the abolition of that fee. Only those of you who can show us a student card can benefit from the abolition of the fee.' Of course everybody gets it.

The same with the provision of, for example, the catering outlet. Yes, you can say, 'Those of you who have a sticker on your card that says you are a member of your union can get a discount.' But the fact that there are catering outlets at universities providing cheaper than normal food is something that everyone benefits from whether or not they show their card. So these public goods are nonexcludable and free riding is an inevitable consequence.

**Senator FIFIELD**—I accept policing of the legal fees but that is hardly the bulk of guild or union related activities.

**Mr Lodder**—On the contrary, I would suggest that representation on academic issues is one of the most important and it is what student organisations consider to be their core competency. Certainly, in the case of law student societies and ALSA, that is what we consider to be our core competency. In my role as Vice-President (Education) my job is entirely based on advocacy for all law students—

**Senator FIFIELD**—For all law students?

**Mr Lodder**—For all law students in this country.

**Senator FIFIELD**—In that case you say that law student societies reject the notion that the funding they receive from student unions is spent on activities that law students do not want. Therefore, the activities that you do are activities that law students do want?

**Mr Lodder**—That is correct.

**Senator FIFIELD**—You say that student bodies do not make enough of an effort to communicate and convince students of the value of what they do, so why aren't your law

student societies prepared to put it to the test with law students? Only law students benefit from your particular advocacy in law courses so why not put it to the law students that there is a fee for membership of your organisation? If law students do indeed want those services—as you say they do—and if you think enough effort is not currently being done to convince students of the value of the services that are provided, wouldn't you have the confidence that the law students' desire and appreciation for those services, plus an effort to convince students of the merits of those, would result in them joining your Law Students' Association?

**Mr Lodder**—Absolutely, and we can and do. Many of our constituent LSSs do charge a fee for membership. In relation to the public services I have mentioned, I will give an example right now. All 31 law student societies in this country oppose this legislation and I and Michael have put considerable effort into lobbying on this. That is something from which all law students would benefit from, whether or not they have paid the membership fee for their law students society. We have voluntary unionism, if you will, for law student societies because there is no compulsory membership regime, but people do choose to pay and benefit from those services. However, in relation to these sorts of public services—and this is just one of many examples of the work that we have done in this sort of area—everybody benefits.

There are 28,000 law students and many of them are not members of law student societies whatsoever, and I would suggest that they all benefit from the things ALSA does. Certainly many of them are not members of the law student societies, yet they compete in our national competitions because they are selected by their law student societies to participate, for example, in mooting, as we have just had this week in Perth. All law students would benefit from the opportunity of those sorts of things taking place. They could get that without paying a fee, so why would they pay a fee?

**Senator FIFIELD**—We heard from a previous witness that on their campus about half of a fortnightly Centrelink payment is the equivalent of their student guild fee and that students struggle to make ends meet. Who do you think is in the best position to decide where half of a Centrelink payment should go? Is the student who is receiving the Centrelink payment in the best position to determine that or the student unions and guilds?

**Mr Lodder**—That is a difficult question in the sense that it reduces a greatly complex area to a very simple proposition. The reality is simply this: if we decide that there is to be voluntary student unionism in the model proposed by the bill then the government will be deciding that universities cannot have freedom of contract with their students to provide amenities and services. The government decides who will be spending the money and how. There will not be an option for universities to say, 'When you come to our university, you purchase these amenities and services.' It is actually against freedom of contract; it is not a free market.

**Senator FIFIELD**—The government decides where the money will be spent by giving the individual the right to determine where it is spent?

**Mr Lodder**—Not at all. Sorry. I did not mean to come across in that way at all.

**Senator FIFIELD**—I want to understand correctly what you are saying. To me it sounded like you are saying that the government is forbidding freedom of contract by allowing an individual to determine where they spend their money.

**Mr Lodder**—No, that is not correct. I am actually referencing the arguments of Andrew Norton in this area and he is certainly no friend of student organisations.

**Senator FIFIELD**—He would be upset to hear you say that. He is a great friend of students and student organisations.

**Mr Lodder**—Of some student organisations, certainly. In my discussions with him, and in a lot of the writing that he has done on the subject, he has simply made the point that universities provide services. They subcontract many of these services to student unions. Under the current regime universities can say to people that want to come to their universities, ‘This is the package we offer. We offer a package with these amenities and services and this is the fee for coming to this university.’ That is a free contract environment. Students will decide to go universities based on not only the degree that they provide but also the amenities and services provided by that university.

This is saying to universities, ‘You may not contract.’ You may say in your offer to the student population, ‘You are buying a degree here, but you cannot choose to purchase the amenities and services at this university because we are not allowed to enter into a contract of that sort.’ Universities cannot bundle the series of amenities and services together as part of their offer to the student population which is then accepted by the student population when they choose to go to a university. That is a true freedom of contract environment. That is something that we certainly think should be the situation—where people can decide. If universities do not want to charge a fee, then they do not have to charge a fee. That could be a point of differentiation for that university. They could say, ‘At this university it, it will not cost you anything for the amenities and services we provide.’

**Senator FIFIELD**—Universities can contract. They would still be able bundle a package of services together. A student may decide not to take that part of the package but rather to take a different package. There would in effect be two packages on offer: a package with a range of services provided through a guild or a union which a student may pay for upfront, and another package without.

**Mr Lodder**—Absolutely. That is correct. But what universities are prevented from doing is offering the package they want. So they do not have a free contract environment. They are told, ‘You can only offer a package in this kind of way.’ If you want to apply true free market principles to this—universities are the providers of services and students are the consumers of services—you simply need to say to universities, ‘Your contract is amongst yourselves as to how you want provide those services.’ Universities are in a position where they need to be able to say, ‘The package we offer is this,’ but they are being told by this bill, ‘You cannot offer that package; you can offer two packages. That is the only way you are allowed to do it.’ That is a restriction on freedom of contract. From our point of view, when students go to university they can then decide, ‘I like the amenities and services that university provides. I wish to purchase that bundle of services from that university and that is the offer they have made to me.’ That is a true freedom of contract environment.

**Senator FIFIELD**—Your colleague Mr Bachas was saying before that he supported a situation where you could opt out of membership of a guild or union—

**Mr Bachas**—In the alternative.

**Senator FIFIELD**—but still pay the same fee that you otherwise would. That strikes me as being the concept of a nominal membership. It is not really freedom of financial association if you have to pay regardless. But in the interests of time I should hand back to the chair.

**CHAIR**—Senator Campbell.

**Senator GEORGE CAMPBELL**—I did have a few questions, but I think you have dealt with most of them, Mr Lodder, and very effectively too. I have a couple of quick questions. On the issue of free-riding, your submission states that it is ‘an unavoidable consequence of such an approach’. That is understandable. It has been pretty common in the past in the industrial relations area, where many people have had the benefits of awards when a few paid for the effort to establish them through the centralised wage-fixing system. But we heard evidence from the guilds of Murdoch and Curtin universities that, with respect to education and welfare services, it would be impractical for them to try to establish a fee-for-service type activity in that area. If people come to you under threat of being forced out of university, they need representation. In those circumstances it is a bit hard to argue with them over how much they are going to pay for you to undertake that advocacy. Would the same principle be applied by your organisation in those circumstances?

**Mr Lodder**—It certainly would. In the submission I have given as an example the most recent project that ALSA has undertaken, which is called ALSAnet. It aims to provide a free employment service to law students around the entire country to address what we see as a dire lacuna in the current employment situation, which is that law students have no way of applying for work experience or for paralegal, casual or part-time jobs with law firms. There are a lot of law firms demanding these sorts of services from law students. The entire rationale for the employment service is that it must be free—that is the only way we could provide it. It is free for employers to post jobs on the web site; it is free for students to access them. If that were not the case, from all the modelling that we did on the service it simply would not work. Michael did a lot of work on that as well and can confirm that. The entire rationale for the service is that it must be free and it must be open to all. If it were not there would be no value for employers, because they would not have access to the wide range of students that they want, and likewise it would have no value for students.

This is an example of exactly the kind of service which we could not turn into a viable fee-for-service arrangement. All the research and work that we did on it indicated that that simply would not work. For many of the other services that we provide it is the same. If we turned them into fee-for-service, user-pays systems, the fees would be too high for the services to be viable. They would simply cost too much. There are services that we need to subsidise and provide in the way that we do provide them in order to make the services viable at all. That is the basis on which we have not adopted a user-pays approach to a large number of the services that we provide.

**Senator GEORGE CAMPBELL**—You also stated in your submission that you thought the shortfall in funding would be picked up by universities. That is not the impression we got from talking to a number of vice-chancellors this morning. In fact, we heard the reverse: those universities would not be in a position to pick up the shortfall in funding across the range of services that are currently provided through the GSF. The inevitability is that if this legislation



comes into effect a range of services will disappear. I suppose the issue of freedom of choice is which services are going to disappear.

**Mr Lodder**—That is right. We are not suggesting, and I did not mean to suggest in the submission, that universities would pick up the services. What we meant to say is that, as much as universities believe that they cannot afford to pick them up and cannot provide them, they may be forced to. There are certain essential student services that universities cannot do without, and it is our understanding that a number of universities will be forced into a position where they have to dig even deeper into their own already extremely tight budgets in order to try to provide essential services themselves or fund student unions to do so. The fact that many universities have indicated that they will not be in a position to do this is extremely worrying for a wide range of services. I agree that a number of those services will probably disappear in a user-pays environment.

**Senator GEORGE CAMPBELL**—Where do you think the resources will be generated through the universities for even the limited number of services that they might pick up, given that evidence has been put before us that, under the regulations governing HECS, none of that funding can be used for other than academic purposes?

**Mr Lodder**—Certainly universities would need to fund that from other pools of resources—for example, perhaps by going out into the private sector and continuing to get more funding from the private sector in order to provide these services. That will have to come from other pools, obviously. I cannot speak for the universities, and it is unclear how they will do that. But, if services at universities are valued highly enough that universities have to pick them up themselves, they will find a way to pay for them. However that will be and however much, there will be a diminution in the quality of the service that is provided as a result of a lack of funding to provide it on the part of the universities.

**CHAIR**—Thank you very much for your attendance here today.

**Proceedings suspended from 11.51 am to 1.03 pm**

**MIGDALE, Ms Alice, Chair, Equity and Diversity Board, Edith Cowan University Student Guild**

**BYERS, Ms Susie, Immediate Past President, University of Western Australia Student Guild**

**HEPBURN, Miss Natalie Ann, President, University of Western Australia Student Guild**

**CHAIR**—I welcome witnesses representing student associations at the University of Western Australia and Edith Cowan University. Thank you for your submissions. Before we ask questions, I invite you to introduce yourselves. Then you have an opportunity to make a brief statement if you wish, for two or three minutes, for the record, or to state your interest in this inquiry. You can also indicate if you wish any of your evidence to be made confidentially to the committee. I now invite you to make a brief the opening statement.

**Miss Hepburn**—The UWA Student Guild is often cited as a fairly shining example of the potential for student organisations to thrive under Voluntary Student Unionism, but unfortunately this myth provides no comfort for us as we face the possibility of its return. Far from thriving, the guild struggled to sustain itself and, until the implementation of the amenities and services fee, estimates suggested that the guild would survive for less than six years. We are under no illusions about our future should we see a return to VSU. We will not be the biggest and most vibrant student organisation in the country; we will be lucky to be around by the time this year's cohort of medical students graduate. We have not yet had the chance to rebuild our organisation to necessary levels, we will undoubtedly face further cuts to our services and the representation we provide, and we will not have the benefit of student organisation scheme funding from the federal government or the ability to fund our operations through the sale of property.

Attachment A of our submission clearly shows the effect that the period of VSU had on our membership levels. Comparing the number of guild members to the university's EFTSU shows that membership started at 20 per cent, ultimately reaching 38 per cent. Comparing membership to the total number of students sees the highest percentage drop, to 31.5 per cent. Just as the survey conducted by the Adelaide University Union indicates that most students are opposed to this bill, surveys conducted by our guild during VSU highlight the reasons students often choose not to join organisations when they are given the choice. Put simply, the services that guilds provide are, for the most part, non-excludable, meaning that students who choose not to pay a fee in a voluntary environment are still able to access many of the services provided by their student organisations, particularly in the case of representation. As our submission asserts, in the context of student organisations the user-pays approach is a flawed concept.

A clear example of the effects of the reduction of membership can be seen in the problems that are faced by student organisations with regard to representation. In addition to the funds provided by faculty societies, approximately 34 per cent of the guild's operating expenditure goes towards activities of a representational nature. This has resulted in a broad spectrum of achievements ranging from the negotiation of a charter of student rights to the elimination of thousands of dollars of ancillary fees. The implementation of a voluntary fee system will

mean severe cuts to these budgets, not because the guild does not believe representation to be one of its core functions but rather because it is not sustainable in this user-pays environment.

Legislation requiring students to pay a fee to their student organisation should not and does not prevent the implementation of adequate levels of accountability and transparency in the spending of funds. The UWA Student Guild is accountable to its students at general meetings and annual elections in which all students can vote. The UWA Student Guild is accountable to the university, the state government and internal policy and regulation, requiring high levels of transparency. Further, under both the current system and that in place prior to the implementation of VSU by the Court government, the final decision on the fee to be charged lies with the university, just as we are required, under both sets of legislation, to provide our audited accounts to its governing body. The losses sustained by the UWA Student Guild are well documented in this submission and in others presented to the committee for consideration. Had VSU continued, it would have resulted in the death of campus life and the non-academic education the university community values so highly.

**Ms Byers**—I do not have a big amount to add to what Natalie has already said. One point I want to make is about the important role that independent student organisations play in maintaining the quality of education at UWA and in this country. You will quite often have a case where a student approaches the guild because of a problem they have with their course, such as a postgraduate student who believes they have been unfairly treated. This often leads to an actual improvement in the quality of education, because it raises an issue with the university that they were not previously aware of. That is the kind of thing that it is really important to remember as well.

The other point I want to make is that, under VSU, the UWA Student Guild and other student organisations were forced to become more commercially focused rather than focused primarily on servicing students. A lot of the funding and the money basically went into promoting an image of ourselves to encourage students to join rather than providing the services which are really essential and important to students on campus, such as services for Indigenous students, for gay, lesbian, bisexual, transgender and intersex students and for students with disabilities. It is really important to remember that, whilst some services might have survived under VSU, in nature they were often more focused on getting discounts for students rather than actually providing them with the essential services to make their way through university.

**Ms Migdale**—All I have to say to you is that the passing of this legislation will cripple the Edith Cowan guild. It will not survive, because it does not have the infrastructure to sustain itself without the income from the amenities and services fee, the A and S fee; it will just cease to exist. I would say that it has enough money to sustain the level of services it currently offers for about six months. After that, we will be lucky if we have one staff member.

Without going into too much history of the guild, this is the first time that it has actually been able to fully represent the students of ECU. To take the fee away would be devastating. That is all I can say about that, because we do not really have the services or the infrastructure that UWA has, even without VSU. We do not own anything. Maybe in time we would be able to own a building, but we focus more on providing services for the students rather than putting money in the bank or investing it.

**CHAIR**—Thank you very much. We will now move to questions. I understand that, in the past, the University of Western Australia offered the provision of personal accident insurance. Would you like to tell us how that operated and whether it has been replicated elsewhere?

**Miss Hepburn**—Currently, Curtin University student guild provides that. We do not any more. We lost it under VSU. It was a 24 hours a day, 365 days of the year accident insurance for all UWA students, but we are no longer able to offer that under VSU.

**CHAIR**—I presume you offered it through an insurance company. Could you tell us what the arrangement was?

**Miss Hepburn**—Unfortunately, I cannot. I do not know the specific details. Perhaps Susie does, but I can find out if you like and pass the information on.

**CHAIR**—Yes. We would appreciate a short note—for example, three paragraphs or something—on how it worked and through whom it was arranged. Do your guild and the Edith Cowan guild have any other sources of income besides fees?

**Miss Hepburn**—The UWA student guild has quite an extensive catering department on campus. We operate at a zero per cent profit, if not a loss. We also have an external function catering business which we have not yet had a chance to build up to sufficient levels to sustain us.

**CHAIR**—Where will that be based—here on campus?

**Miss Hepburn**—The base is here. The kitchen is here, as is the administration.

**CHAIR**—I note your comment that the guild membership departments will have to shift to a marketing role, focusing on selling what services remain to potential members. I do not expect you to agree with me, but don't you see that as a good thing—building up some reserves of capital which would then presumably enable you to sell more services to members if it were run properly?

**Ms Byers**—The University of Western Australia is quite a young campus. Most of our students are just out of high school. They are also the students who are most likely to be on campus. They are the students who will primarily be targeted by the memberships and marketing departments, because they are the students who are easiest to draw into memberships. What you will then find is that a lot of the services will be directed specifically at people who are extremely young and the discounts that are negotiated will be aimed at people who go out to Claremont on the weekends and that kind of thing. But we will not be able to offer services to postgraduate students, international students, students with disabilities and Indigenous students, where the base is too small to offer it on a user pays basis because it is difficult to negotiate specific kinds of discounts and membership services for a small group of people.

**CHAIR**—I want to ask you a similar question with regard to your catering and the tavern on campus. You have said in your submission:

In a voluntary contribution environment, the guild will be forced to derive as much income as is possible from these commercial outlets rather than the current scheme where food is provided at near cost prices ... and at quite low profits ...

I understand that you are catering for students who do not have a great deal of disposable income but, if it were possible to make a commercial profit from those enterprises which you would then be able to plough back into services, would you not see that as a desirable outcome?

**Miss Hepburn**—Most certainly, and it is something we will have to do, particularly with our catering outlets, should VSU happen. Currently it is not desirable for us to have to make money off our members when we are there to provide them with services. We have also seen that, where other guilds use their taverns as a profit-making entity to fund other services, they are not frequented as often, not just for the purchasing of alcohol but for the whole social environment, because it takes the price bracket up quite substantially. Therefore, there is a loss of campus life starting.

**Ms Byers**—The other thing is that under VSU we have to offer discounts and that sort of thing in the catering outlets to students to encourage them to join the guilds. If we increase the prices too much we are effectively cutting our own throats because our students will no longer join if the food prices get too high and we start making too much money off them.

**CHAIR**—I certainly understand that, but on the other hand you have a relatively captive audience and I guess if you provide a good service and good commercial outcomes that is something to be hoped for.

**Ms Migdale**—Did you want me to answer the question from ECU's perspective?

**CHAIR**—Yes.

**Ms Migdale**—We do not own our taverns or our cafeteria, so we do not have the option of gaining revenue from those outlets. In time, if the A & S legislation were to continue, we would look at buying the taverns back or at least leasing them from the university so we could derive some income and thus sustain ourselves. But obviously if this legislation is introduced we will not be able to do that.

**CHAIR**—Have you had any discussions with the university on that basis?

**Ms Migdale**—Yes. They obviously need money. If we want to buy something from them we will have to give them some sort of money, but, if this legislation goes through, we will not have the money to give them. So it is catch-22: we know that we have to sustain ourselves but we also know that we must save for the future in case this legislation goes through. We want to provide services for our members so that they want to join, but people will only want to join an organisation if there are services for them to access.

**Senator GEORGE CAMPBELL**—Miss Hepburn, we heard evidence yesterday from representatives of the University of Southern Queensland, who said that they had already taken steps based on their analysis of this legislation and its impact, which was based on what had occurred in Western Australia when voluntary fees were introduced in the nineties. They have already taken the decision to wind up their guild, to divest themselves of all of their service activity and to put away the resources to be able to meet their constituency liabilities for redundancies of staff and so forth. Would you like to outline to us what steps your organisation has taken to (1) evaluate what the impact of this legislation is going to be on your organisation, (2) what the employment impacts on your organisation are likely to be and (3)

what contingencies you have considered or put in place to meet the outcomes of this legislation.

**Miss Hepburn**—In terms of evaluating what will happen, we are in the unluckily lucky position of knowing. Because we have been through it once already, we know what services we can and cannot sustain under VSU. We know that, should VSU be implemented, if we continue with the services we have been providing, we will only have six years left as a working guild. In terms of employment, since VSU was abolished we have managed to build back staff members—not so much building up staff numbers as building extra days into their contracts or into their employment conditions. I think that would have to almost directly be cut straight back. It is obviously something we will need to consider. Things like academic advocacy and appeals roles will certainly have to be downscaled. We will almost definitely lose a research officer who currently researches for our international student and postgraduate student departments.

We have not yet taken steps to downscale services. We are still keeping our fingers crossed and hoping that that is not something that we will have to do, although it is something that we have started to consider. Obviously, staff numbers may have to be cut back. Also, there will be immediate cuts to our representation funding and our welfare funding, such as the grants and loans we provide to students. That is quite an extensive system. We will immediately have to cut back funding to clubs and faculty societies, which provide things like academic services, arts volunteer services and welfare services. Pretty much everything we do will have to be downscaled.

**Senator GEORGE CAMPBELL**—Does that mean that you intend to keep the range of services you have in place, albeit they will be less effective than they are now, or will there be services cut out altogether?

**Miss Hepburn**—It is very hard to say. We have not been in the position to build back any services in their entirety since VSU, so we are almost living on just a slightly bigger VSU shell currently, trying to claw our way back. There are not really any services left for us to cut; we are almost running on core services as it is.

**Senator GEORGE CAMPBELL**—I see. I misunderstood your previous answer.

**Ms Migdale**—I will also answer that question from an ECU perspective. The services we have now are only able to exist because of the A and S fee. Without that, all the students would lose access to the free legal advice we have. Our welfare officer would have to be made redundant. Basically, when I was in the guild prior to the A and S fee legislation, we had a budget of only \$36,000 to service 25,000 students across four campuses. This is not speculation; this is reality. It is a reality that many guild senators do not want to face. I am one of them. I really do not want to work under that environment again, and I do not want the students of ECU to have to go through that again because it really was horrible. This legislation is atrocious because it will just destroy the Edith Cowan Student Guild.

**Senator GEORGE CAMPBELL**—What services were cut that have not been restored?

**Ms Migdale**—We were not in an economic position to offer them even basic services. We were struggling to offer them representation in the form of welfare services. This legislation,

as it stands now, allowed us to rejuvenate the guild. It was almost like a rebirth. Without it, the life will be sucked out of the guild. After six months, we would not be able to survive.

**Senator GEORGE CAMPBELL**—Are you saying that you would not even be able to provide advocacy services?

**Ms Migdale**—The students—the guild senators that were elected—would have to do it. The guild president who was in office in the last stage of VSU acted as the president, the vice-president, the treasurer and everything else. It would put a lot of strain on the people in office. Students are very capable people, but to expect them to be three people and Centrelink and lawyers in courtrooms is diabolical.

That is what the president had to do before the introduction of this legislation and the abolition of the A and S fee. He should be commended for that, but I do not want anyone else to have to go through that and to do that. Looking after 25,000 students across four campuses is a hell of a burden to put on somebody's shoulders. It is totally diabolical. We will be lucky if we can sustain one guild shop that has an annual income of something like \$2,000. You cannot provide the current services we do with a \$2,000 budget. While our university might help us, even if they helped us quite significantly, there is no possible way in heaven that we would be able to offer the services we do now.

**Senator GEORGE CAMPBELL**—Miss Hepburn, what were the services you were forced to ditch at UWA?

**Miss Hepburn**—Amongst other things, they included 28 staff members—not including catering staff—ranging from academic advice staff members to activities officers. We lost the insurance. That was mentioned earlier. We used to have a sexual assault referral centre, office space and property, a 24-hour computer lab which allowed students to study at all hours of the day. That is not something the university has for general students; it is only faculty specific. Most notably, perhaps, we lost our sports and recreation division. No sporting clubs and no sporting facilities are now offered by the UWA Student Guild. They are offered by the UWA sports and recreation division, essentially, which comes under the university but is far closer to a commercial operation.

**Senator GEORGE CAMPBELL**—Is that charged on a fee-for-service basis?

**Miss Hepburn**—Yes, it is. They also receive a portion of the amenities and services fee, which is currently in place in Western Australia. They receive 30 per cent of the fee after administration charges. That goes some way to fund their sporting clubs but it is entirely user pays for the rest of the association.

**Senator GEORGE CAMPBELL**—How well is that attended by students?

**Miss Hepburn**—I believe—I am not entirely sure—that student participation has dropped off slightly and it is mainly used by the wider community. I know for certain that they offer interfaculty sports during lunchtimes—this comes from the 30 per cent of the amenities fee they receive—and intercollege sports on weekends. I know for a fact that interfaculty sports have almost dropped off to a point of near nonexistence.

**Senator GEORGE CAMPBELL**—Do you know how their charges compare with what is available in the market outside?

**Miss Hepburn**—I believe that the gym itself is a reduced rate, but I am unaware of the details specifically. I can get that sent through if you would like.

**Senator GEORGE CAMPBELL**—If you have time and it is not too difficult.

**Miss Hepburn**—It is no problem. I will certainly do that.

**Senator FIFIELD**—Miss Hepburn, you mentioned that according to a survey most students oppose this legislation. What was the survey that you were referring to?

**Miss Hepburn**—The Adelaide University Union survey.

**Senator FIFIELD**—What was the figure?

**Miss Hepburn**—I believe it was 86 per cent, off the top of my head.

**Senator FIFIELD**—That does ring a bell. Why do you think it is that, if 86 per cent of students actually oppose this legislation—and, by implication, support the status quo and value the services that are provided—when they are given the opportunity, through legislation such as this or the previous Western Australian legislation, to vote with their money rather than just with their comments in a survey, they choose not to support some of the services?

**Miss Hepburn**—As I said earlier, I believe that it comes very much from the fact that students believe and know that they can benefit from the services the guilds provide without having to make a monetary contribution. They are not at all prohibited from representation. When I sit on a board and get anonymous assessment introduced to the university, or get ancillary fees removed, that is not just for guild members, that is for all students. Things like lunchtime concerts that we put on benefit all students. If we have it in the middle of Oak Lawn, there is no way we can stop students from benefiting from that.

It is much like people who use roads. They would not likely pay taxes did they not have to, but they enjoy the benefit of the roads. And I believe that if you asked any of them if they think it is a good thing to pay their taxes, they would say yes. But if you asked them if they would pay did they not have to, I do not believe the answer would be the same.

**Senator FIFIELD**—When the previous Western Australian legislation was in effect, did the guild take any steps to try to restrict access to services to guild members only?

**Ms Byers**—The answer is yes. We started offering discounts at guild catering outlets to members only and that kind of thing, but the most important services are the ones that Natalie was talking about—the representation and advocacy. The guild took the position that, if a student had not yet got around to joining the guild for whatever reason—they did not have the money on them or that sort of thing—but if they walked into the guild partway to the degree and said, ‘I’ve been sexually harassed by a lecturer; I really need your help,’ the fundamental job of the guild is to represent students and they are not going to turn that student away just because they have not joined the guild yet. They would say to them, ‘Join the guild now and we will still help you.’ They ask them to join the guild in order to benefit from whatever it was that they were asking for, like a loan, a grant or something. They made the decision that, in order to remain relevant and to be the representative body for all students, they still needed to offer some fundamental services to everybody. That is why we are here. We are here because we want to look after the interests of students.



**Senator FIFIELD**—In that situation where someone may not have joined the guild and was seeking advocacy services, did the guild insist that the person at that point join the guild, which would seem a reasonable thing to do?

**Ms Byers**—I think it was done on a case-by-case basis. If the student was in severe financial hardship, they would probably offer them a loan or, in certain circumstances, a grant. If the student could not afford to join the guild, they would be offered a grant, which would basically mean that the guild would effectively pay their membership for them.

**Senator FIFIELD**—It would seem to me that the guild should try to do itself a favour in that sort of situation and try to introduce some sort of effective arrangement that can differentiate between people who have joined the guild and people who have not.

**Ms Byers**—We have with the discounts and that sort of thing but, as Natalie said, there are some services for which that is impossible to do. There are some services, such as orientation day, from which it is basically impossible to exclude students on the basis of membership because it is run in conjunction with the university event, which is the commencement ceremony. There are some things that students are just going to be able to access and there is little that we can do about that.

**Senator FIFIELD**—But there would be scope to go further than what happened under the previous legislation in terms of differentiating between people who have joined the guild and those who have not.

**Ms Byers**—That would be a decision that the guild would have to make in the coming months.

**Senator FIFIELD**—Do any of you concede that, apart from the concept of free-riding, there could be other reasons why students choose not to join the guild or pay the amenities and services fee and that there could indeed be students who do not free ride, who do not want to pay the fee and who choose not to use the services because they choose to use their money themselves to buy their own services elsewhere or to put that money towards some other purpose?

**Miss Hepburn**—I understand what you are saying. There will always be students who do not feel they are getting services and there are students who have an ideological opposition to the guild, I am sure. Then there are the students who have difficulty getting the money and, if it is not something they have to pay, it is not something they will; it is not a choice to free-ride. Ultimately, I think our argument still stands that, in cases of representation, we represent for all students, not just for guild members. Throughout the paper, we have mentioned that there are non-excludable services which, even if students choose not pay in order to benefit from, say, catering discounts, they will always benefit from the other things. As such, we believe that they should contribute at least some form of compulsory fee.

**Senator FIFIELD**—In terms of those representational services, the age old argument in favour of compulsory unionism in an industrial sense is that a union may go and represent a particular point of view to an employer and there will be employees who might not be members of the union who nevertheless benefit from that representation. Therefore, whether they choose to be represented by that union or not, they should cough up. That is the classic

argument in favour of compulsory unionism in an industrial context. Are you comfortable with that sort of argument in support of this fee?

**Miss Hepburn**—Not at all. I believe, as detailed in our submission, that we have other reasons. There are other services we provide which we believe are also non-excludable. It is very important to remember that we are not trade unions. We are not here just to provide representation.

**Senator FIFIELD**—It is just that you were emphasising representation in particular as a non-excludable service.

**Miss Hepburn**—I am sorry if I misled you. That was just because it is the most notable and the easiest to—

**Senator FIFIELD**—Okay. I think there are other organisations that probably focus on that rather than the other services that they provide.

**Ms Migdale**—Can I answer that from an ECU perspective? The user pays principle is fine, I suppose, but it only works if the organisation that is asking its members to pay has services to provide to its members. If you take this fee away, ECU—and, in time, UWA—will have nothing to offer its students. How can we represent them if we have nothing to offer them? In a sense, this legislation will ultimately take away our voice because no student is going to want to pay for nothing.

We try to keep the A and S fee very low. It is something like \$100 a year for full-time students and \$50 a semester for part-time students. Without that, we are not going to have the facilities to offer our students. In a sense, you are taking away our voice, because we will not be able to be relevant to their concerns. We will not have the resources to represent them the way they should be represented. Many students, in particular in terms of representation and making sure that their needs are being taken into account, feel nervous when they have to go and fight in academic appeals. To get a representative from the university to do that can be quite intimidating for the students. The current legislation benefits students in less tangible ways. We gain members and support through representation and advocacy. But, if you take this fee away, there will be none of that. You are effectively silencing the voice of students by doing so.

**Senator FIFIELD**—When the previous Western Australian legislation was in effect, did either campus put forward to students a range of packages of services? Did you bundle services together in a particular way? You may have got access to concerts, advocacy and escorted passage off campus for a certain amount; a slightly higher amount would have given you twice as much benefit. Was there a tiered package of membership on offer or was it basically still the flat rate—this is the fee; pay it or not?

**Miss Hepburn**—At UWA, there were two rates. One was for first-time members and one was for rejoining members. But there was only one membership package.

**Senator FIFIELD**—So in that environment there was not any effort put in to encourage membership by selling particular benefits of membership at particular levels, such as member service organisations like the NRMA or the RAVC might offer? It was basically the same old model: here is the fee; pay it or not.

**Miss Hepburn**—I think at the time it was not that there was not enough effort put in but that the decision was made to concentrate efforts on one particular style of selling membership. Obviously that is something that this council or the next council—or whoever has to make the decision—will have to decide. At the time, it was not that they were lazy or they did not want to put effort in, but it cost so much to put together one membership package that to diversify it further would have perhaps rendered the guild unable to do so.

**Senator FIFIELD**—So the reduction in guild membership might not have been necessarily because students did not value the services. It might have been that they just were not attracted to the particular package that was on offer or were not made sufficiently aware of what was on offer.

**Miss Hepburn**—I think that they were definitely made sufficiently aware. The amount of material that was produced at the time was astronomical. It was certainly not over the top; it was definitely necessary. I think I have made fairly clear my opinion why most students chose not to join the guild, but that is always a possibility. We cannot rule anything out.

**Senator FIFIELD**—Okay.

**Ms Migdale**—In terms of ECU, there was only one package because we did not really have any other services except one by the guild shop on the Mount Lawley campus. At Joondalup we struggled because of its location. We are looking at changing that. Of course, now that the shop at Joondalup has services and more goods, students are flocking to it. But before, when it had minimal goods and we offered minimal services, obviously we could not get enough members to upgrade those services and improve them. It is common sense. People only pay if you can offer them relevant services. We were struggling to do that under VSU and we will struggle again if this legislation is introduced. I really cannot emphasise that enough. People will pay if we are able to sustain our current level of service. I have pointed out in my submission that to do that in ECU's case would mean that we would have to charge huge fees from each student—to even maintain the basic level of services we offer now. No-one wants to do that. Students do not have astronomical amounts of money, so we are in a bit of a bind. That is why the user pays principle, in the context of student guilds, does not work. We cannot charge large fees, because students are struggling as it is.

**Senator FIFIELD**—Thank you.

**CHAIR**—Thank you for your appearance here today.

**Senator GEORGE CAMPBELL**—Can I just ask one brief question, which I probably should have asked the vice-chancellor this morning, but you may be able to provide us with the information. In the submission made to the committee by the Australian Liberal Students Federation, they quote figures from a case study of Monash University's Clayton campus, where students pay \$428 in compulsory up-front amenities and services fees. It breaks it up into \$238 worth of administration, \$30 worth of building services, \$13.28 for clubs and societies and \$22 for sport, then it goes down to 28c for food services and subsidies. Do you have figures available for your campuses that break down the distribution of funds at your university?

**Ms Migdale**—Yes, but not exactly like that: that is very detailed. But we do have budgets and I will do my level best to get them to you as soon as possible.

**Senator GEORGE CAMPBELL**—Thank you.

**Miss Hepburn**—At UWA, of the \$120 charged for a full year for a full-time student on campus, 10 per cent goes directly to the university for administration. Thirty per cent of what is left goes to the sports association and 70 per cent goes to the guild. If you would like a breakdown of the guild's expenditure I can certainly pass that on.

**Senator GEORGE CAMPBELL**—If you could give it to us we would appreciate it.

**CHAIR**—Thank you for that and thank you for appearing before us today.

[1.50 pm]

**JUKUMS, Ms Valda Lucija, Acting President, Australasian Campus Union Managers Association**

**O’SULLIVAN, Mr Thomas Joseph, Voluntary Student Unionism Spokesman and Coordinator, Australasian Campus Union Managers Association**

**CHAIR**—Welcome. We have your submission and we have heard elsewhere from ACUMA members. Before we ask questions, you will have an opportunity to make a brief statement if you wish, just for two to three minutes, for the record or to state your interest in this inquiry. You can also indicate if you wish any of your evidence to be given confidentially to the committee. Do you have any comments to make on the capacity in which you appear?

**Ms Jukums**—I am the Acting President of ACUMA but I am also the general manager at the Flinders University student union in Adelaide, where I have been manager for about eight years. Prior to that I worked for many years at the university as a manager and in various positions, including faculty registrar. I have long experience in management and suchlike—but I must make it clear that I do not appear here today for Flinders University or the union that I work for.

**CHAIR**—I now invite you to make a brief opening statement.

**Ms Jukums**—ACUMA is the national professional organisation of staff employed in campus service organisations across Australia, so today we will approach this from a national perspective. We believe the effect of the bill in its current form will be severe, swift and dramatic and will vary markedly across Australia. Most of what I am about to talk about is covered in detail in our submission, so I will not go into detail but just outline what we think are some of the important features.

Currently campus service organisations receive an average of 28 per cent of their income from student fees, but that is an average, and for some regional and suburban campuses the fee income is more like 70 per cent of their revenue. So they are very reliant on what they receive from student fees at the moment. We believe that the bill will have a much more dramatic effect in those campuses and their communities. It is probably worth mentioning that there has been a lot of talk about the effect on regional campuses—and that certainly is there—but we also believe, from what our members are telling us and from our surveys, that the same sort of thing will happen in some suburban campuses. Their very survival is in peril. We believe that the bill will create an imbalance between the services and facilities on the larger metropolitan campuses and the smaller, newer suburban and regional campuses—the haves and the have-nots dichotomy, really.

In terms of job losses across Australia, we have estimated—again, based on the Western Australian experience of some years back—that around 30 per cent of the work force will lose their jobs, although not all of that, of course, would occur in the first year of VSU. That is about 4,200 people across Australia losing their jobs. Approximately 1,600 full-time positions and 2,800 part-time jobs will be lost—again, for the reasons I mentioned earlier, the impact being greater in the newer and regional universities.

Our estimate—again from the Western Australian experience and given what our members are telling us—is that revenue from student fees will contract dramatically. We estimate that, at best, our members would get about 25 per cent of their current fee income, which would be approximately \$45 million a year. That sounds like a lot of money, but in fact the drop would be about \$125 million of income per annum. Our submission details the effect of such a reduction on service provision. Of course, much has been written and you have heard a lot from people already about this important aspect, so I do not intend to repeat that here.

I would draw your attention to the impact on campus infrastructure funding, which I think has also been alluded to at times in this inquiry. We estimate that our member organisations have spent about \$300 million on capital projects on campuses over the past 15 years. Future projects are in jeopardy and they are highly unlikely to happen without a secure annual income base that assists in servicing loans. Most of us, if we want to do that sort of work, have to borrow money, and no-one will lend us money unless we have a secure income base, because most of us do not actually own the buildings either. So not only are future projects in jeopardy but there are some campus organisations that currently have estimated outstanding loans of approximately \$50 million, and I think you have heard from some of those already as well. Some of those organisations will be technically insolvent the moment the bill is passed, and you have heard from our colleague at the University of Southern Queensland what they are already doing about that.

In order to address what we see as a very difficult situation, a most undesirable situation, and to address the government's concerns as well, ACUMA has proposed some changes to the bill that would allow the continuation of campus services and facilities by addressing our industry's and our university colleagues' concerns and also the government's concerns. Our proposal, which is detailed in our submission, would allow universities to collect an annual student services and amenities fee but it also recognises the bill's primary intention to promote the ideal of freedom of association, to give students choices as to which organisations they wish to join as members. It would end the potential for compulsorily levied fees to be directed to political actions that may not be in accord with the students' own political views and it would end the situation whereby higher education providers are responsible for the collection of such fees without being held directly accountable for their application.

The amendments we propose, which are also detailed in our submission, ensure that universities have responsibility and accountability for the moneys raised from such a fee, that fee income or any surpluses generated from the fee income cannot be spent on political activity, and that all clubs and societies which are eligible to receive grants from the fee must have voluntary membership. We are happy to talk about those proposals if you would like us to. I think that at this stage that is probably all I need to say, thank you.

**Mr O'Sullivan**—I am currently the CEO of UTS Union Ltd. Prior to that I was the General Manager of the University of Sydney Union for about 10 years. I appear here today on behalf of ACUMA as its VSU spokesman. As for opening remarks, I have nothing further to add to what Valda has said.

**CHAIR**—Thank you for that. I refer to your comments in your submission about the impact of the proposed VSU legislation. Part B talks about the service ramifications of non-

compulsory student services and amenities fees. You have surveyed your member organisations to determine what services would be most likely to be discontinued. I would like you to think about that list in your submission as well as the normal list that student organisations provide. It seems to me that there is an ever-expanding list of what student organisations believe they can and should provide. Do you consider their present aims and efforts to be realistic in that regard in terms of what they can and should provide or do you believe that there are some core programs that student organisations should provide?

**Mr O’Sullivan**—First of all, I think the list reflects the diversity of the sector. Naturally enough, and as we have heard in testimony today, the mixture of services varies from campus to campus and particularly between metropolitan and regional areas. In terms of core functions, when you look at the constitutions of our member organisations you find the most common threads—and sometimes the language is a little quaint—are to do with the social, cultural and educational development of members. They talk about an area of the campus called the common meeting ground, which is terminology derived from English and American institutions of equivalent nature, and they talk about, in the American wording, cocurricular—in our terminology, extracurricular—opportunities that add to the educational experience available at the campuses. You would not necessarily find that at each institution, whether represented at this inquiry or across the country, all of those services would be present.

**CHAIR**—I understand that.

**Mr O’Sullivan**—But I think that another common pattern in those services, which has been reflected in the evidence as well, is that they mostly represent costing services—that is, the provision of services—as opposed to the paragraph after that list which talks about the exception of, possibly, some catering, retail and sporting services. The distinguishing characteristic there is that in those latter services trading is going on. Perhaps the debate has extended to suggest in some quarters that there would be an easy replacement from the private sector for those types of activities. As an organisation we do not think that is the case. We think that the experience around the country in our member organisations shows that the seasonality factor on campuses is very difficult both for ourselves as operators and for private enterprise to manage. We also think that the downside of the private enterprise approach to those services would be that by their very nature profits would be shipped off the site. Essentially our organisations are not for profit bodies; therefore, any surpluses that are generated tend to be ploughed into longer term or immediate expansion of program services in the following years.

So even in those areas that have trading components where transactions are going on, the difficulty for our organisations and for the private enterprise solution to that is still present—the dot point list. The consensus from our members is that it is very difficult to find the funding in any modelling that has been done that I am aware of in the country to show how you can sustain those services even when you have some trading activity to try to provide funds for that.

**CHAIR**—So you would not consider that student organisations are spreading themselves too thinly in the provision of those services?

**Mr O'Sullivan**—I think there is a degree of altruism in our organisations. They tend to plead guilty at times to taking on responsibilities that extend their functions from their core roles. If students approach them with an issue or a demand for services, they try to be responsive to that demand. As an overall statement, over the years we have felt unfairly stereotyped as closed shop or monopolistic organisations and not responsive. We have heard discussion today about the efforts of organisations regarding the marketing of their services and those sorts of things. I would hope that there is a lot of proactivity in those areas from our members in getting the message across about what is provided, but equally to respond to demands as they arise.

Certainly, to use the current example, the generation of students I deal with at my local university at UTS want what we call on- and off-campus services. The stereotype, perhaps, of my period of tertiary education of hanging around campus and sitting around and physically accessing services has changed. People want to access services on the web. They want to be able to benefit from deals the union organises at off-site venues or other off-site programs. They want to access the services in their own space and time, and they certainly want to be communicated with electronically as much as they still want to enjoy the experience of a tangible student newspaper. So the demographic shifts regularly in the most specific sense. Every three to four years the total market, for want of a better term, is a changed market, and the organisations have to and should respond to that.

**CHAIR**—Do you consider that the previous experience of VSU here in Western Australia offered any positives for students?

**Mr O'Sullivan**—We have attached a report, as you aware, from Tertiary Balance. As the previous witnesses mentioned, the difficulty with the model was the reference to the cost type services, advocacy and those sorts of services. But I will go back to the point that was raised this morning with particular regard to the Curtin guild and the sustainability of that particular business model. That part of the discussion this morning made me have a closer look at the figures that were provided in the Tertiary Balance report. One of the problems with statistics is that if you look at the numbers you can see some positive trends of sales revenue growth, and that was commented on this morning. But equally, to use the vernacular, by 2002 the wheels were spinning a little bit but not going too far. The revenues were up to over \$7 million but the costing side was proportionately higher as well. To use the obvious example: plenty of sandwiches were being made and sold but the margins on them had not changed, and therefore the operating loss, noting the one-off item mentioned in the report, had moved from a pretty substantial operating surplus of \$1.9 million in 1996 to a recorded deficit of \$162,000 in 2002.

You can analyse the figures in various ways, but what these figures do show is that, whilst trading can be expanded and revenues increased from that—and this is certainly the modelling we have been doing at UTS as well—to maintain a service level which adheres to your constitutional responsibilities and the role that the university expects you to play in that case, the difficulty that is exactly reflected in most other metropolitan university unions around the country is that, to maintain any level of services, you are really starting to look at operating deficits. Like our colleagues from USQ, in a large number of cases we are incorporated bodies and that brings to bear the responsibilities as directors, commonly



managers being directors on the boards of governance these days, and we have to address that in a responsible and legal way.

One last factor to mention about Curtin is that these figures are a particular reflection of its circumstances in that, again comparing it with UTS, there is not a lot of alternative competition around the corner. It is an isolated, compact campus and the revenues reflect the fact that students need to access services on campus whether it is during a VSU period or a non-VSU period. So again, certainly from our association's point of view, we are careful in the way we interpret those figures and how much meaning you we attach to something like revenue growth, given the other factors that are going on.

**CHAIR**—I was not hanging my hat purely on that circumstance. I just wondered if, given your experience overall, you saw any positives in the VSU type regime?

**Mr O'Sullivan**—Not in that service provision sense. As I said, we are doing some modelling at UTS. To give you a broad-brush example, we are about a \$17 million turnover organisation and about \$5 million of that is fees. If we extract that and maximise our revenues—and even in that there is a service negative outcome; we close outlets for weeks of the year and hours of the day and we charge higher prices, subject to the fact that there is plenty of competition right outside our front door—and run at something like 50 per cent to 70 per cent of service levels of current funding and model down administration and facilities costs to those levels as well, we run at an estimated \$2 million operating deficit. We then talk to the university, and in our case, not being a sandstone university, there is not an automatic suggestion that they have the capacity to replace that financial gap. I think that is not an uncommon example across the sector for metropolitan unions.

**Senator GEORGE CAMPBELL**—I want to briefly run through a couple of issues in your submission. In the executive summary you say that your organisation was not consulted in respect of the possible impact of this change on the industry. Why do you think you were not consulted, given that you have such a stake in the industry?

**Ms Jukums**—It may be worth asking the people who have not consulted us. I do not know why we have not been consulted. This is consultation, I guess, but that is all that I would say has happened in terms of this legislation.

**Senator GEORGE CAMPBELL**—Are you aware that the Australian Liberal Students Federation advised us in their submission that they were consulted in respect of the drafting of the legislation?

**Ms Jukums**—Yes.

**Mr O'Sullivan**—I will try to put this sensitively: they would probably be of the opinion that the answer to your question could well be that the practical impacts of the legislation are not necessarily the most important concern of the government in this legislation and that there is a fairly strong view that there is an ideological basis to the bill. I certainly remember in the equivalent event to this in 1999 being castigated by the then chair that our organisation had not been proactive in seeking out senators and other members of government to put our case to them.

I can assure you that in this campaign ACUMA has been very active on both sides of the House and with the independent parties in seeking to put our views to all members of parliament, particularly trying to show not only the separation of the ideological factors of the proposed bill but also the practical factors. As our acting president pointed out in the introductory remarks, we are not just complaining; we have actually tried to address some of the government's concerns with some proposed amendments that we think try to draw the middle ground between the position the government has for a long time put forward in its policy and equally trying to protect the practical benefits and services we think we deliver to the educational process.

**Senator GEORGE CAMPBELL**—I understand that, but I would have thought that an organisation like yours with such a substantial investment in the industry, as you term it, would have at least been consulted about the proposals and their likely impact. You raise the issue—and validly so—of what has happened in other industries when structural change has occurred. You use the examples of textiles, clothing and footwear and the sugar industries. I am surprised that in your recommendations you did not cover that issue. Is there a reason?

**Mr O'Sullivan**—Perhaps it is optimism that we can, with the proposed amendments, convince either this inquiry or other members of government that there is another way to go about the proposal. It is a very difficult circumstance in our local organisations. We straddle a very difficult high wire in the sense of trying to maintain morale and belief in our organisations while at the same time there is quite a clear awareness that with the government majority in both houses there is a very strong threat to our organisations' base funding. We have not gone down that path of asking particularly for transitional arrangements to this stage. I would also suggest that it is a product of the fact of not having the opportunity to engage in a lot of detailed discussions with the government over the issues we are talking about here today. Perhaps that will come out of further detailed discussions. So far there has not been an opportunity to do that.

**Senator GEORGE CAMPBELL**—In your submission you refer to the \$50 million of outstanding loans. Yesterday in Armidale the University of Southern Queensland advised us that they had already taken a decision—I think you referred to it in your comments—to shut down their services activity, make contingent provisions for various payments to the staff that will be made redundant and virtually abandon the field, for very valid reasons. Are you aware of any other guilds or student unions amongst your membership that are contemplating similar action? I understand from the person who was here yesterday that that same provision of incorporation applies to all Queensland universities. I am not so sure what the state of play is across the country.

**Mr O'Sullivan**—It is not a universal circumstance. There are unincorporated organisations—some of the biggest unions in the country are still unincorporated associations—but the common thread of that \$50 million worth of debt is loans to do with capital projects. Within that, most commonly would be loans with either the university itself or with the finance sector. It is certainly prominent in those organisations' thinking that, given the loss of stability of income to repay that loan, they have to be very careful about what they do in trading. The pattern in our organisations tends to be that they go through cycles of undertaking a project like that—some organisations might take a view of building up some

funds as well as a loan arrangement to do the project—and then going into a cycle where the loan is being paid out or the reserves have been exhausted and the period comes on again. That \$50 million obviously is a snapshot of the cycle of debt as it stands at the moment. That would fluctuate over time. I do not have a specific list of what campuses are involved in that detail. We can provide that to the committee.

**Senator GEORGE CAMPBELL**—It would be useful if you could provide that to the committee. What is your understanding about the assets that may be generated by those loans? What would happen to those in the event of the guild shutting down?

**Mr O’Sullivan**—Valda, and I think other witnesses, mentioned that the most common circumstance is when you are building on university land. The straight up legal position in the first instance is that it is not an asset you necessarily own. Equally, we have heard in UWA’s example that there have been transactions where a view has been taken by the university that most likely the guild or union has an equitable interest in the facilities because of their total and singular injection of all the funding for it such that there may be a way of coming to some commercial arrangement over that.

Speaking from the experience at Sydney and UTS, the university struggles to maintain its own assets, even in the sandstone case of Sydney. In fact, the gap between reality repairs and maintenance funding there continues to widen. To be put on the end of the queue in a priority sense for your own assets for the students’ services side of the facilities would be an unpleasant position to be in. We have heard comments about the pie perhaps getting sliced, but that may affect teaching and learning. I think the same thing applies to asset issues. Using UTS as an example that I am currently aware of, there is an absolutely massive refurbishment of the science faculty going on. It is about a \$130 million project. Their capital plan, like unions, backs off for the next couple of years. We have a pressing need to upgrade some of our areas because of compliance issues. If we were put on the end of a queue that is already struggling for its own academic and teaching priorities, we would be in a very difficult circumstance.

**Senator GEORGE CAMPBELL**—How many of the jobs, of the redundancies that you have identified, would be held by students?

**Ms Jukums**—I do not have a figure before me, but I know that all of our organisations employ students, so there would be a number. We can try and find those figures for you if you are interested in the detail.

**Senator GEORGE CAMPBELL**—If it is not too difficult I would appreciate it.

**Ms Jukums**—Certainly at Flinders our policy, like some of the others you heard about this morning, is to employ as many students as we can to provide them with income while they are studying on campus. And those jobs will mostly go.

**Senator GEORGE CAMPBELL**—With previous witnesses, I referred to this case study at Monash University which was reported in their annual report of 2004. It had the break up of the fees paid to that university. Do you have a similar break up of the fees paid at other universities?

**Mr O'Sullivan**—Yes. I think all university unions, whether via their annual reports or their budget processes, would be able to provide a breakdown.

**Senator GEORGE CAMPBELL**—Could you provide that breakdown to us?

**Mr O'Sullivan**—Yes.

**Senator FIFIELD**—Mr O'Sullivan, you mentioned that you thought there was an ideological basis to this legislation. Could you take us through what you think the ideological basis is?

**Mr O'Sullivan**—Simply put, freedom of association is the driving force that seems to be apparent in some of the statements by government members. As I mentioned before, and as Valda mentioned, I think the amendments we have put forward try to address that issue. But equally we try to preserve a flow of income that enables the infrastructure and services to continue.

**Senator FIFIELD**—I was wondering if there was anything else behind the use of the term 'ideology' other than basic freedom of association.

**Mr O'Sullivan**—No, on the public record.

**Senator FIFIELD**—So we are agreed that that is part of the intent of freedom of association. And the chair said in her opening remarks that people not be compelled to pay a fee for services and amenities. In your submission, you said that there is \$1 billion in gross receivables per annum received by the campus services sector nationally. Do you think that there is enough to show for that \$1 billion? Do think that \$1 billion received per annum is well deployed across Australia?

**Mr O'Sullivan**—As with any and every industry, I think you would be able to find outstanding examples of where the benefit returned from those types of receivables are excellent. I am sure there are areas in the institutions I am responsible for where we can improve our game and our service provision. I think the professional ethic is to recognise the latter and continuously try to address it. I think our governance models these days have a balanced combination between student input and professional expertise from sitting around the board table and are the best models to drive that forward. Again, as our amendments suggest, a recognition of greater responsibility and involvement by the universities would hopefully add to that outcome.

**Senator FIFIELD**—So there is certainly some scope for improvement. Are you able to—you may not be able to—give any instances of where you think particular campus organisations could and should do better?

**Mr O'Sullivan**—When I first started in the industry—so I am speaking from a historical perspective—there was too much of a mentality, within catering for example, that there was a captive audience and therefore the service standards and quality of products were not necessarily as rigorously encouraged or instilled as they should have been. If you look at metropolitan and regional unions these days you tend to find a mix of private operators and the union or guild. That competition is healthy for the private operators and particularly for us. I hope that there has been an increase in the level of professionalism in our industry. I believe one of the guiding principles of ACUMA, in terms of our training programs and

national conferences and those types of activities, is to enhance the professionalism of the management in university service organisations. Again, there will always be situations where, for individual or structural reasons, certain things will not be as good as you would hope but the principle that drives the organisation is one of continuous improvement.

**Senator FIFIELD**—I accept that there have been improvements in recent times but historically there has been a lack of competitive forces, particularly in things such as catering.

**Mr O’Sullivan**—Yes.

**Senator FIFIELD**—What have been the drivers of improvements in the provision of campus services?

**Mr O’Sullivan**—The students coming to universities these days are coming off high school education with a much more sophisticated understanding of businesses. There are a lot of business and legal studies and those sorts of things in secondary education these days. The students bring that to the board table. At universities there are plenty of business students as directors and committee members, who have an input. Regardless of the qualifications or the academic involvement of the students, the key to it is the involvement of the students. As I mentioned earlier, the evermore rapidly changing demands of that demographic need to have an outlet, and there needs to be a responsive approach from the organisations to those changing demands.

Sometimes in some of the bigger unions and organisations there is a difficulty, at an institutional level, in responding as quickly as one would like. I think the analogy commonly used is that you sometimes feel as if you are trying to turn around an aircraft carrier on a sixpence because what was needed and wanted and had the highest priority three years ago has suddenly become not the highest priority, and something else has taken over. I think that is why the model of balance at governance level between student input, professionalism and perhaps some corporate memory and knowledge, is a good balance with which to address those changing demands.

**Senator FIFIELD**—So part of what has driven the improvement and the greater competition is that students are more discerning. As you said, they might come with more of an understanding of business as a result of their secondary school education and they are certainly more demanding.

**Ms Jukums**—I would like to add something. I am sorry to interrupt you. I think that this has come hand in hand with the universities being far more responsive to students. There has been an ever increasing amount of consultation with students. We have heard about students being on committees, student surveys and those sorts of things. So the student feedback is part of the culture now whereas 10 years ago, and beyond, it was not. The guilds and unions have moved along with that, as well. They, like the universities, are interacting with their members far more than they used to many years ago and they are getting a sense of what the student population wants.

**Senator FIFIELD**—Given that students are becoming more discerning and more demanding, could it be that another way to give students an opportunity to be discerning and to indicate what they would like in terms of services is to give them a choice as to whether or

not they pay a general amenities and services fee? Is that not the next step? What are your thoughts?

**Mr O'Sullivan**—I think that, as other people before the committee have indicated, if there were a choice between paying and not paying, the decision would be a fairly straightforward one with regard to the opportunity not to pay as opposed to what you might not be able to access further down the track—let alone the argument about the difficulty of preventing access, which has been put forward as well. It is part of their astuteness. There is perhaps one common thread in student undergraduate behaviour: if there is a way to get a freebie then students will find it and if there is a way not to pay for a set of services they will find that.

We certainly have to be on our toes in our operational areas, more than some of our commercial counterparts off campus, in terms of what students may get up to in a queue at a cafeteria or that sort of thing. That is certainly activity that I regard as healthy undergraduate development. I know there are various opinions about the analogy to council rates but I think there is an element of truth in that argument. If people are given the opportunity not to pay for certain services that they do not necessarily see as relevant at the point of that decision, the hip pocket factor may become the determinant.

**Senator FIFIELD**—We might need equally clever students running student unions to deal with those other sneaky students. Just following up on a point that the chair raised in terms of the effect of the Western Australian VSU model and, to a lesser extent, the Victorian VSU model, that would have helped bring some competitive forces to bear on campus. It would have helped drive some efficiencies in particular service provision.

**Mr O'Sullivan**—To some degree, yes; to some degree, no. Whilst there may be a need to utilise third-party contractors for some service provision and perhaps some revenue generation out of that equation, at the same time there is a reverse impact that was referred to earlier today. Retail operates on the brutal truth of feet past the door. If the level of activity around guild premises or union premises is diminishing because of the lack of funding of activities or other services and if there are no feet past the door, then whether it is a union operated outlet or a private enterprise operated outlet, if that traffic is not being generated, there can quite clearly be some knock-on effects on both union services and private services. So I think it is a bit of an each-way bet.

**Senator FIFIELD**—In terms of efficiencies, I understand that the University of Western Australia guild—you probably do not know the particular circumstances—had 45-odd staff. I think they reduced that by about half. They still have basically that level of staff now and I assume that they are today providing a vaguely comparable level and range of services to those which were in place before the Western Australian voluntary student unionism legislation was introduced. I cite that as an instance where clearly there was some scope for efficiencies. Do you think that there is still scope for efficiencies of that nature in the sector as a whole?

**Mr O'Sullivan**—Just to go back to the UWA example, the point was clearly made that there was service contraction that drove part of that employment trend.

**Senator FIFIELD**—But now we are back to basically a compulsory fee situation so I assume the level of services is around where it was before.

**Mr O’Sullivan**—I got the feeling that some of the answers indicated that there was still a rebuilding phase going on. There may be some expansion expected there. From an industry perspective, of course, it would be twee of me to suggest that there is not some capacity for efficiency improvements. Again, using the UTS example, when we did that modelling I was referring to earlier, there comes a point where the efficiency gain starts to become a direct contradiction of your constitutional or university-requested purpose for being. That is a varying point in different equations on different campuses. But on the efficiency side, when we as an industry have our workshops and our conferences, we bring in outside presenters and we look at commercial equivalents. We do not take an inward-looking focus. We try to be attuned as we can to modern commercial trends, whether they are across operations, marketing or management. Therefore, we would hope that there could always be some improvements. Separate to that, we still believe that an underlying base amount of guaranteed income is required to enable some of those improvements and, indeed, some of the services to flourish on top of a certain level of stability in our revenues.

**Senator FIFIELD**—In your submission you state that the gross receivables for ACUMA specifically, as opposed to the campus services sector nationally, are in the order of \$600 million per annum, of which \$170 million per annum is derived from compulsory amenities and services fees. Where do the bulk of your receivables come from?

**Mr O’Sullivan**—They are from those trading areas that I was talking about before: contract arrangements, tenancy arrangements, catering, retail functions and businesses right through to attendances at concerts and recreation trips as part of the sporting programs—those sorts of turnovers. They are from a mixture of factors and the mixture varies on different campuses. I think the point we were trying to make there was that as an industry we are certainly not resting on the laurels of the fee revenue. We see it as a base that provides the stability upon which a whole range of other activities can be built up. Our belief is that, without that base, those numbers would diminish.

**Ms Jukums**—To go back to what I said earlier in my presentation, there is an uneven reliance on fees. Regional universities and some of the suburban universities rely far more than others on their fee income.

**Senator FIFIELD**—With the reduction of \$45 million per annum, which you estimate—

**Ms Jukums**—It is a reduction to \$45 million, not of \$45 million. So the reduction would be about \$125 million in fact.

**Senator FIFIELD**—The submission states:

The immediate consequence of having the student services and amenities fees receivables contract to some 25% of present levels nationally is that receivables, under this heading ...

I understand. If you look nationally, the total receivables appear to be a reasonably healthy figure.

**Mr O’Sullivan**—Again, using individual examples—

**Senator FIFIELD**—It varies from campus to campus.

**Mr O’Sullivan**—It varies from campus to campus; but, equally, it would entail a substantial reduction in services. Perhaps more important to us is the fact that it would

basically mean that to some level it would keep organisations as going concerns. What it would preclude completely would be their capacity to undertake the level of capital works that Valda referred to in her opening statement; therefore, the standard of infrastructure provided, whether for sport or recreation or for union or guild activities, would progressively deteriorate.

As I mentioned, the only way that could possibly be addressed—which I think is a difficult proposition—is that somehow the universities themselves in their equations can find that scale of dollars to fund those facilities. They are normally not return-on-investment equations, so an ordinary borrow in a commercial sense is not an answer to that dilemma either. I take your point that \$45 million is not an amount to be sneezed at, but at the same time, relative to the current amount, it is a substantial downturn.

**Senator FIFIELD**—The bulk of your members would survive under the new legislation? The University of Southern Queensland said that they would shut up shop, lock the door and retrench everyone. But you think that the majority of your members would survive as functioning entities?

**Mr O’Sullivan**—Well, functioning entities, yes; but what that would mean exactly would need to be investigated further in terms of whether you were actually doing anything that provided any services. Also, there is a lag factor in these equations. What happens in year 1 would, according to our best estimates, not necessarily be a position that could be maintained over time, because the financial difficulties could well be multiplying through extended periods.

I do not know what the right terminology is in terms of the majority surviving or not. We have indicated there is \$50 million worth of outstanding loans, and that applies to a certain number of organisations. But, in an association that has approximately 60 members, in the first instance that \$50 million probably represents loans across maybe 10 to 15 of those organisations, so not an inconsequential proportion of the total membership is staring down the barrel in the short term. We would expect that number would grow over time. Even if you were surviving, to use your terminology, I think the role you are playing in that survival would be a severely limited one compared to what we believe we contribute to tertiary education currently.

**Senator FIFIELD**—Clearly there would be a redefinition of what constituted core activities by each organisation. But, in your opinion, the bulk of them would be functioning in some form or other?

**Mr O’Sullivan**—Perhaps it goes to Senator Campbell’s question about the possibility of further discussion with the government about transition arrangements; any of those types of activities through that period would be a logical discussion point.

**Ms Jukums**—I suppose the other thing to say about it is that we are not looking at survival. Obviously, we want our member organisations to survive—

**Senator FIFIELD**—As opposed to extinction!

**Ms Jukums**—but it is really about the services that are offered on campuses. That is the key issue. Some of our organisations will survive, for instance, offering just food and retail



outlets. Having those things on campus is of course a good thing, but there may not be much else. So I think it is still a question of quality of service provision as well as survival or existence.

**CHAIR**—Thank you very much for your attendance today. That closes our hearing.

**Committee adjourned at 2.37 pm**