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EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE

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

THURSDAY, 7 JULY 2005

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SENATE
EMPLOYMENT, WORKPLACE RELATIONS, AND
EDUCATION LEGISLATION COMMITTEE

Thursday, 7 July 2005

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

Participating members: Senators Abetz, Bartlett, Boswell, Buckland, George Campbell, Carr, Chapman, Cherry, Colbeck, 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, Lundy 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 9.04 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 the compulsory payment of student union fees, the Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005. On 11 May 2005 the Senate referred to this committee an inquiry into the legislation introduced in 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, as in Victoria and Western Australia.

The legislation introduced this year is the government's third attempt in the space of six years to have its policy of freedom of association recognised in universities. The arguments of the government in support of this measure and the legislative provisions remain substantially the same. It has always been the government's view that the compulsory payment of fees for non-academic services cannot be justified, especially given that the changing role and culture of universities today is a reflection of social and economic change. The committee is aware that this is controversial legislation. It is also 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. The committee will be listening carefully to those and other views that are expressed here 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.

Senator Stott Despoja, who would have attended this hearing today, is unfortunately unwell and is not able to attend.

[9.06 am]

CHUBB, Professor Ian, Vice Chancellor, Australian National University

RAO, Ms Aparna, President, Australian National University Students Association

TATER, Mr Aditya, National Convenor, National Liaison Committee for International Students in Australia

CHAIR—I welcome our first witnesses. Professor Chubb, I understand you have only a short time to spare, and we are most interested to hear from you. Please start with your statement and if there is time we will have some questions.

Prof. Chubb—I apologise for having to leave around 9.25 am. I am on a flight to Melbourne at 10 am. Unfortunately, they do not hold over planes for vice-chancellors, or indeed anyone else, so I have to get there on time. Thank you for the opportunity to appear before you. I will not speak at great length. Senators will have seen the submission that the ANU council endorsed. We put that in as our submission to your committee. It spells out the view of the ANU council and that is that we support the present situation. We believe that the compulsory fees that are charged to students are put to good use for the benefit of students.

What I would emphasise most from our point of view is that we see the university community as an important part of university life to the extent that a few weeks ago we appointed a Project-Vice-Chancellor (University Community) with the express brief to develop a sense of community within the staff and student body of the ANU. The reasons for that are essentially spelt out but they go to the issue of the university experience, which is always a little more than information rammed in that is regurgitated at assessment periods during the course of the year, and if you remember half of it you pass and if you remember more than half of it you do better than pass. We are trying to create a community that is an interactive one between staff and students where they do more than just share a lecture theatre for brief periods of time.

I have been doing this sort of job now for close to 20 years. I know that what we do is not perfect. Given the numbers of people involved we can always find people who are not putting their shoulder to the wheel in quite the way, for example, that I would like but I think it is a damn sight better than the alternative, which is for students to come onto campus for a brief period and do a lecture or whatever and the services that we are able to provide in addition to that are limited to the few who will pay.

So I would emphasise the sense of community. I think it is an important part of the development of character in people. It is an important part of the way we educate our students and, indeed, is part of the educational process, which is more than simply the acquisition of a quantum of knowledge at a given time that is then repeated as part of an assessment. That is what we are trying to do at the ANU and, indeed, so are most other universities. The only thing I would add is that last year a review of the work of the ANU was done by a group of very eminent people—in its totality it involved several hundred people. One of the recommendations, which we spelt out in our submission, is building up the community. We

are responding to that now. Part of that will be developing this sense of providing services for everybody.

CHAIR—I take it that the students also see the building up of a community and their interaction with each other as a good thing that comes out of their university experience. So you do not feel students would have sufficient voluntary interest in joining the societies and groups that they want to join and sustaining the community by their own efforts and, presumably, by the payment of some fees to join particular groups rather than through paying the general services fee as it exists at the moment?

Prof. Chubb—I think very often they do that anyway, because all we can really do is subsidise it. Our fee is very low—it is \$220 or so a year. We invest that in a variety of activities. With the important ones, though, like student welfare officer, legal advice and things like that, it would be hard to see how you could offer them without subsidising them. I think they are well-used features of university life these days. It is not like when I was a lad: you went to university; it was a bit of fun and you did a bit of work. Many of our students work. They carry full study loads and full workloads. Eighty per cent of ANU students are in some form of employment at any given time, which means that the pressures and exigencies that they have to face on a regular basis are much more complex than they ever used to be. So we provide welfare officers, legal officers, emergency loan systems and things like that, none of which will come out of a voluntary system. Indeed, the evidence in Western Australia and, to an extent, Victoria shows that if those services are not there not enough people will pay to provide the core activity, even if they do have to make some contribution for additional advice, information or whatever it is that those groups provide.

CHAIR—I take your point about attending lectures and regurgitating information as not being the total function of universities. I mentioned in my opening remarks the changing nature of universities. So you do not see the large influx of either mature age students or women with family responsibilities as making students less able to take part in the wider experience?

Prof. Chubb—Of course, it does vary a lot. The influx of part-time students, which happens to a much greater extent in some universities than at the ANU, has changed the nature of the thing, but a lot of universities provide child care, for example, by using some of the fee that people without children help subsidise for those who have children and other responsibilities. I do not think that is an unreasonable expectation. I have always run the argument—and I have for a long time now with marginal success—that you pay to be a member of a community just as I pay to be a member of a community through my rates and taxes and everything. I get reminded from time to time that only governments can levy taxes, and I do understand that. However, I do not use anything like the services that are provided by my community, but I pay in order for other people to be able to use the services that they need as part of their membership of that community. I do not use the public library or the local swimming pool, but other people do. I think that the provision of those services goes to making a community and it is through communities that Australia will get strong, not through 20 million individuals finding their own way around the tree without due regard for the neighbours and the others who are trying to find their way too. So I am somebody who believes in a sense of community. I think of the ANU community as my extended family and

my job is to look after it. Part of that is to provide services that they need to have a fruitful, prosperous, enjoyable life at university with a lot of hard work added in, because they work pretty hard.

Senator GEORGE CAMPBELL—I will be very brief. I do not want to stop you catching your plane to Melbourne. Some would say that would be a bonus.

Prof. Chubb—Me leaving, you mean!

Senator GEORGE CAMPBELL—No. Missing the plane! In Perth yesterday we spoke to a number of student organisations from different universities who have experienced voluntary student unionism. With regard to this issue about why people should be forced to pay the fees and why it cannot be organised so that those who pay will use the services and those who do not want to pay go without the services, they all said to us that at the end of the day it is almost impossible to organise a situation where you can separate a lot of the services for those who pay and those who do not pay. It is almost an impractical situation. At the end of the day they cut back the services, but those students who did not pay also got access to them. That was the only way they could apply them. Would you see a similar situation happening if voluntary student unionism occurs if this legislation is passed? Is that the likely outcome or is there a way in which, in your university, you can separate the haves and have-nots or the dos and don'ts?

Prof. Chubb—It depends on the service, I think. For some you probably could; for others you certainly could not. For example, we seek to engage with student representatives in various faculties, the student association and so on with respect to improvement of the assessment processes of the university. Every student will benefit from any improvements to the assessment process but if only some of them pay for the representatives who are making the case on behalf of the whole student body then of course there is that inequity. But there might well be others where it could be more readily separated. If they do not want to pay an extra amount to use the athletics facilities then you could have a system whereby they would not be able to use those facilities without having paid. So it depends a lot on the services but certainly it would be one characteristic of some of those services that everybody would benefit although only some would pay.

Senator GEORGE CAMPBELL—What about the advocacy services? That was one example they used. They said it was very difficult in a set of circumstances where a student is in trouble, about to be bumped out of the university and seeks help to say, 'We aren't going to give you help because you haven't joined or paid your fee,' because it is usually a crisis situation and they are trying to help individuals. So in those circumstances those individuals are 'freeloading' on the system.

Prof. Chubb—That would one example where it would happen, I expect—that is, people avail themselves of the experience that is obtained by the individual or individuals who are making those representations through the advocacy processes of the university. They would probably seek to do that whether they paid or not. It is a bit hypothetical for us because I do not know how it would happen at ANU. I do know that my colleagues in the Western Australia universities found that to be a pretty substantial consequence of the legislation that

was introduced in Perth, which is why the four vice-chancellors in Western Australia, as far as I know, are trenchant critics of the whole VSU effort.

Senator GEORGE CAMPBELL—That certainly was their evidence to us yesterday. We had an argument put to us in Armidale by one student organisation's representatives about why they should have to become part of the academic community—why they could not just go to university, go to their class, go to their lectures, get their degree and get out of there. I would have thought that if you enrol in the university you become part of the community whether you like it or not.

Prof. Chubb—To an extent you do. But of course when you look at the services that are provided by, say, the ANU, not every single student will use every single one of those services. Probably there will be some, like my own children, who have not used any services. It will range from those who are in pretty urgent need of help, such as people who need accommodation help or employment help or legal help or justice of the peace help or whatever it might be—both acute and chronic—to people who will not use it at all. But they are part of the ANU. My children will graduate from the ANU and will be proud graduates of the ANU and, as far as I know, they have not used one service provided by the students association in the time they have been there. But that does not mean to say that they do not think the services that are provided by the students association are not an important part of making the ANU what it is—that is, a university of which we all ought to be proud.

Senator GEORGE CAMPBELL—The other side of this argument, which has not been focused on but which we have had evidence about, is from ACUMA. A couple of the student guilds have said they are already taking steps to wind up their service provisions because of their incorporated bodies. They would be trading in an insolvent situation if they continued and they have got debts which they have to get rid of. So they are already starting to wind up in anticipation of legislation. If those services disappear, what impact would that have on the capacity of your university to take a holistic approach to education? I assume education and university is not just about academic skills; it is also about life skills. Do the services and structures that underpin those life skills balance the type of education people get from universities?

Prof. Chubb—I believe that they would. I believe that an important part of being a university student is learning how to be a person—as well as having a deep knowledge of physics, chemistry or history. Of course, as the chair said earlier, our universities are much more complex than they ever were before. At ANU 22 per cent of our students are international students, from something like 95 countries. Part of being part of ANU is learning about Australia, Australian society and Australian culture, learning how to be tolerant of each other and learning about differences in cultures by participating in various clubs and societies and all sorts of things that students engage with, including living together in the halls and colleges of the university. These services are all extra ingredients in the mix that goes into making a university experience more than the simple acquisition of knowledge. Of course that is an important part of it. We want people to go out there who know more about physics than their teachers—or at least as much. But when they do go out there we want them to be people who are able to integrate into the world and to be successful citizens of the world; that is part of it.

Senator GEORGE CAMPBELL—In marketing the ANU to international students, how important are the range and provision of services?

Prof. Chubb—When we are offshore marketing, we talk about the services that we provide. I would say that the pre-eminent marketing tool that we have at ANU is the prestige of ANU and the character of the institution. Implicit in a lot of that rather than overt, upfront, is that we provide a range of services for students. Our brochure has a photograph of a group of happy people playing football or taking part in some activity. We represent ANU as an institution of high prestige where you get a high quality education and a high quality life experience.

Senator FIFIELD—Professor Chubb, you said that part of the campus experience facilitated by the student association or student union and the compulsory fee that supports that is helping people to learn to be a person. Someone who chooses to do an apprenticeship or a trade learns to be a person without the benefit of a student association, student guild or compulsory fee; so it would be possible, in the absence of a compulsory fee and maybe with a reduced range of services offered by a student association, for people to still learn to be a person.

Prof. Chubb—Yes, I am not an exclusivist in the sense that I think only universities have got the answers to the problems.

Senator FIFIELD—Others seem to do quite well learning to be people without the benefit of a compulsory fee supporting particular activities; I guess that is my point.

Prof. Chubb—Yes, but I think that, just as the institutions that provide vocational education are different from schools and different from universities, we all play our roles in different ways in developing this community of ours. We do it in a particular way which I think is representative of the way this happens in many countries in the world. I think that we develop people who can go and work anywhere in the world, and that is just part of it. If you want to take a different track, of course you can develop different life skills and different things in different ways. I would never dispute that. That begins at school. That probably begins in the home before school, and it all adds a different dimension to that.

Senator FIFIELD—I asked a Victorian vice-chancellor on Monday in Melbourne why, in his opinion, it was that students had the capacity and judgment to choose their tertiary institution, the capacity and good judgment to choose their degree and the capacity and good judgment to choose their courses but they should not be allowed to exercise that judgment when it comes to deciding whether or not to pay a compulsory fee and whether or not they get value for money as a result of paying that compulsory fee. His answer to me was that, despite the fact that students might be able to plan for the long term by deciding they want to do law and be a lawyer, they are not very good at planning for the medium to long term and are very short-term focused. He prefaced that comment by saying, ‘This might sound condescending, but ...’ I said to him that, yes, I did think that sounded condescending. Do you agree with that view that students are not capable of planning for the medium to long term and that they are very short-term focused and, as a result, a student union or association is better placed to decide how to spend their money than they themselves are?

Prof. Chubb—I do not know that I would agree that they are not capable of making some of these judgments about the medium and long term. I do not feel that I need to condescend to my students. I think they are very able young people trying to face up to a very unpredictable world and they are trying to work out how to fit in. It is a tough life for them by comparison with, say, my generation. Equally, I would say that I think it ought to be left to the university to decide what services it provides and, if we choose to charge a fee to provide a range of services, why should we be prohibited from doing that? If I want to charge \$220, Sydney wants to charge \$500 and Monash wants to charge \$361.50, why should we be prohibited from doing that to provide a range of services that students could not provide? If you want to be a member of the community, there is a price.

Senator FIFIELD—So the university knows better than the students how to spend that \$220 that would otherwise be in their pocket?

Prof. Chubb—Probably. The students can make a choice: they can say, ‘I will go to ANU because it is \$220, and I will not go to Sydney because it is \$550,’ or ‘I’ll go to both to have a look to see what services are actually provided as a consequence of that.’ I face that every time I have a local election. I pay rates and taxes, and I pay them because someone else decides that we need a public library.

Senator FIFIELD—Except I guess that we already have government that provides a social safety net, which is part of its core job and perhaps not the core job of universities.

Prof. Chubb—They provide that for student too to some extent.

Senator FIFIELD—The government provides it. Do universities need to replicate what government does?

Prof. Chubb—I wish I had longer to discuss it with you.

Senator LUNDY—I ask a question on notice relating to sports facilities. I know you are short of time, but I ask you to tell the committee to what extent the ANU values the availability of sporting facilities for people involved in both competitive sport and community based sport, and recreational activities as well as what that adds to university life.

Prof. Chubb—Half of every game includes people from outside the ANU, so I guess that people from the community use our facilities quite a lot. They add quite a lot to the facilities.

Senator LUNDY—Can you provide that information?

Prof. Chubb—Yes, we can do that.

Senator LUNDY—Thank you.

CHAIR—Thank you.

Prof. Chubb—Thank you very much for the opportunity. I am sorry that I have to go. I could stay here for a lot longer and debate some of the issues with you.

[9.29 am]

RAO, Ms Aparna, President, Australian National University Students Association

TATER, Mr Aditya, National Convenor, National Liaison Committee for International Students in Australia

CHAIR—Welcome. Thank you for your submissions. I invite you to make a brief opening statement for the record or to refer briefly to your submissions. You can also indicate if you wish any of your evidence to be given confidentially to the committee.

Ms Rao—We have given details in our submission of what we provide and what we do, and we are happy to give more details now or later on as needed, so I will not go into all of that at present. One of the main points I need to make is the need for student representation in Australia's universities and the need for a certain element of organisation on the part of a student body as a necessary part of a successful university. You can see that university administrations agree with us. Most universities in the country have agreed that their students associations are a useful part of the community, spend moneys reasonably wisely and are necessary for a university to be successful. That is evidence that student organisations have a real purpose and genuinely want to achieve it. If we did everything and we were everything that has been alleged in the last couple of months, I can assure you that people such as Professor Chubb would not be here supporting us today. The fact that we are necessary and relevant is accepted, so put that to one side.

We are worried about this legislation because a legislatively enforced system of voluntary membership will not work as easily as some make it seem. We have outlined reasons for this in our submission. Basically, we feel that, without the assured funds at the start of each year, we may not be able to ensure the services, representation and advocacy that they need. Then, even if some people voluntarily want to use those services, we cannot guarantee that they will exist for people to voluntarily use them. If they do exist, costs may be much greater because fewer people will be paying for them. People might choose a short-term gain in their own pockets over a long-term need such as legal advice or an emergency loan later in the year. How can they predict those things at this time? As has already been discussed, some services are particularly hard to isolate for those who choose to become members—namely, representation and advocacy. You cannot bargain with a university on behalf of only some students and not others when you are working to represent all the students.

Our concern with this legislation is that it will affect the effectiveness and the value of student representation. I believe that this committee can do something constructive, given the submissions you have received and the hearings you are undertaking, to come up with a rational, proportionate response for the government on this matter. I think it is reasonable to regulate to improve any organisation or body to make it better and more effective, but I do not think it is reasonable to use legislative power to threaten the very existence of an organisation when the destruction of that organisation cannot be justified. We have seen examples of that in Western Australia and you would have seen it in yesterday's evidence. You cannot ignore the facts that we have given you and the arguments that have been made in submissions by student unions and by universities about what will be lost. I urge you to recommend a more

proportionate strategy that does not injure the good things that we do. Please take into account what is in our submissions: the facts, the statistics and our own assessment of the impact of the bill.

Mr Tater—I would like to thank the committee for giving me the opportunity to speak and put forward what international students have to say. I will start with a brief introduction of the National Liaison Committee for International Students in Australia. The NLC was formed in 1986 after the introduction of the full fee paying program for international students. From the beginning NLC has worked with the various stakeholders in higher education—especially within international education—including Australian Education International, DEST and DIMIA. It also has more contact than any other Australian organisation with the minister's office.

I would say that we have to look at international students in a different way due to their unique needs and requirements. International students provide a global network that helps promote international education in Australia to the world. Therefore, it will be a bit disappointing if this group is not provided with the support required to succeed in its educational experience in Australia.

I would like to start with the four points on which my submission is based. The first point is internationalisation. The universities in Australia are promoting and focusing on internationalisation. They understand that it is important to provide cultural diversity and better cultural understanding within the campus. International students bring that kind of cultural experience to the Australian community and to the university, provide Australian students with an insight into other cultures and build cultural tolerance.

My second point is about peer networking. International student organisations and Australian student organisations provide that peer networking. When international students come to Australia, their first point of contact is with students and friends who are part of community groups like international student organisations. They help in providing services such as accommodation, finding the right bank or finding a car. Also, through these international student organisations students actually develop the skills that are required to be successful in the work place and within society.

My third point is about the use of services. It was well documented in the AVCC survey done in 2002 that international students are the biggest users of most of the services offered on campus. The international student organisations and international clubs and societies provide a much needed environment that fosters friendships and develops a much better understanding of the changing world. Without these support services, it will be very difficult for international students to survive in a country with a different culture.

Finally, this legislation will have a big impact on the relationship between Australian students and international students. It will widen the division between these two groups. It is no secret that there is a lack of interaction on campus between these two groups. But this legislation, rather than encouraging interaction, will reduce it due to lack of activities organised to bring these two groups together. International student organisations and Australian student organisations, through their activities, promote interaction between these two groups.

It seems that a user pays system will not work for the international students, because when they come here students do not know what services they require until they actually need them. Take academic peer support, for example: unless a student seriously requires this when they are having problems they will not understand the importance of it and how to go through the university procedures with regard to academic appeal. If this becomes a voluntary or a user pays system, compulsory overseas student health cover should also become voluntary because the insurance is not required by these students until they feel they need it—for example, if they have an accident or some kind of sickness. It will be difficult for the user pays system to work for international students.

CHAIR—Thank you very much. Ms Rao, how do you assess—or have you assessed—the extent of awareness of the student association among students at the university? The number of students who wish to join such an association would surely be a better indication of the enthusiasm for it than compulsory payment of the fee.

Ms Rao—Are you talking about the percentage of students who know about the student association?

CHAIR—Yes.

Ms Rao—I would say that that has risen considerably in the last six to eight months, perhaps because of the current furore over what student unions do. Last year we did our survey. I can provide you with the facts later on if you would like me to give that percentage.

CHAIR—Yes, I would. Thank you.

Ms Rao—But I would say that over 50 per cent of those who took the survey knew about and had used certain services—the welfare officer, the legal officer, the second-hand book shop or something like that. As to the second part of your question, which was would it be better to let them decide whether or not they do it, I think there is the problem of expecting people in any environment to look that far ahead. You cannot anticipate when you come to university, especially as a first year student, that you might need an emergency loan in November—at the end of the year—and that if you do not become a member of your student union you might have trouble getting that loan at the end of the year. You cannot anticipate that you might need legal advice. And certainly you cannot isolate yourself from the representation and the advocacy that happens. You cannot choose whether or not that happens, because the minute a small proportion of students decide that they want representation and advocacy, you get that for everyone in the university. That becomes a problem if people then decide not to join up. So there is a reason why it works well to have people all represented and all having the same level of access to the services that exist.

CHAIR—Is there any probation period on students joining their union and then being able to access the services? In other words, if they found that they did need the services that the union provides would they be able to join the union and access the services immediately?

Ms Rao—Are you talking about in a voluntary circumstance?

CHAIR—Suppose that they did not have to join the union and then they decided that they needed the legal or the advocacy service, as you have suggested, would they then be able to join the union and access that service immediately?

Ms Rao—That is a question for the individual organisations when and if we have to face different arrangements in 2006. I do not have a concrete answer for that.

CHAIR—So you have no rule at the moment?

Ms Rao—No. There is no rule about that. My guess would be that it could be problematic, because if you do not have enough people joining up at the start of the year to make paying the salary of a projected, say, legal officer viable then that service may not exist in July or August when a student needs legal advice. So we may not be able to provide it at all.

CHAIR—Do you have any statistics on the demand for your services such as legal and advocacy services?

Ms Rao—I do. This month our welfare officer had about 120 appointments; our legal officer had 60. Second-hand bookshop sales have been down because it is holidays at the moment, but we certainly have a stream of people coming through there. Personally I help at least half a dozen students each week with advocacy or appeals and getting through university bureaucracy and red tape.

CHAIR—Mr Tater, you spoke about your wish and certainly I imagine the wish of many others to get international students and national students to interact more closely. Again, if the wish to interact is there, will that not happen anyway, without an artificial framework around it through compulsory payment of fees?

Mr Tater—If you look at the structure of most of the classrooms in Australian universities at this point of time you see that many of the programs have either a lot of international students or a lot of domestic students. Within the classroom system it is very difficult to have a proper interaction between these two groups. Most of the groups are formed based on their own liking or on their own cultural understanding.

The interaction normally happens outside the classroom, which is more important because it helps in the skill building experiences of those students. When they meet through social activities they have or develop a better cultural understanding of each other. If we do not have the compulsory student unionism in place it will be difficult to organise the activities that the student organisations or the international student organisations normally organise in the beginning of the year or in the beginning of the semesters, when there are more chances of developing friendships. These friendships go beyond university life and they are sometimes lifelong. I do not see how that will happen under the voluntary student unionism. Definitely there will be limited interaction that will happen during those times, but not as it is happening right now with a lot of activities being organised.

CHAIR—In my experience, universities are not noted for their lack of social life; rather, they have a great deal of it. So you do not see this happening naturally?

Mr Tater—It does not happen naturally. You have to consider the formation of most of the cultural groups and of the international students themselves. Students normally prefer to stay in their comfort zone. They do not like to come out of that comfort zone unless they have to find some social activities, are engaged in some social activities or are in a social network; but without that it does not happen. The university activities that are organised at this point in

time allow students to come out of that comfort zone, to understand and develop that cultural understanding or cultural tolerance and to be successful in the global environment.

Senator FIFIELD—Mr Tater, I think a keg will often help bring people out. It is another way of inducing student interaction. Ms Rao, in your submission you say:

Running a representative organisation as a commercial organisation goes against the duty we owe to our constituents. We may have to sacrifice students' best interests in favour of commercial activities in order to maintain financial viability.

Firstly, do you have any difficulty with the idea of running an organisation on a commercial basis? Secondly, isn't one of the basic duties of an organisation or an association to maintain financial viability?

Ms Rao—Yes. As to your first question—'Do I have a difficulty with running an organisation on a commercial basis?'—I think the reason I have given in the submission is that it will result in either fewer services or charging more for those services, and that is not in the best interests of our constituents, our students. We cannot charge them more for a service when we could actually charge them less to do it at the start of the year and then give them free legal advice later on in the year. Legal advice costs a lot of money at the moment. I think we have given an estimate of \$250 at a minimum to consult a lawyer commercially. Could you repeat the second point?

Senator FIFIELD—Is it not one of the basic obligations to be financially viable?

Ms Rao—Yes, it is indeed. My point is that, if we have to maintain financial viability by going commercial, we are doing that at the sacrifice of lower prices for the students and fewer services for the students. At the moment because we have a compulsory fee guarantee at the start of the year and we know that we have financial viability—because we manage our funds correctly and we are audited—we can provide all of those services and make them as free as possible.

Senator FIFIELD—So, regardless of how badly or well you run your particular ventures, you know you have a guaranteed source of income?

Ms Rao—No. If we run our ventures particularly badly the university will not give us money the next year.

Senator FIFIELD—There is the compulsory fee.

Ms Rao—Yes, but we only get that from three different committees of the university. If they note that we have not done things properly and if they get complaints that we are charging people money for a service that we are supposed to be providing for free or that I have suddenly taken three trips to Bali in the last couple of months, I suspect they will ask a lot of questions when it comes to allocating that compulsory fee back to us again the next year.

Senator FIFIELD—But, if there are particular services which are not run as efficiently as they might be, there is really nothing driving you to run them as efficiently as possible because you know that you have these compulsory fees coming in.

Ms Rao—I think we are being driven to run them as efficiently as possible because that is what our constituents want—that is what the students want—and they scrutinise our budget

just as much as the university does. They ask: ‘Why are you spending that much money in running the second-hand bookshop? Why do clubs and societies get this much money? Why is your welfare officer paid this much?’ And we need to be accountable to them and explain why things cost what they do.

Senator FIFIELD—Is not the ultimate form of financial accountability that you let the students decide themselves whether they value the services you provide and whether they think the services are being efficiently provided by allowing them to decide whether or not they pay their amenities and services fee? That is the most meaningful way to allow your constituents, as you refer to them, to have a say as to whether they value the services you provide and whether they think you are providing value for money.

Ms Rao—I think financial accountability is one of the most important ways. I would not say it is the only way or the benchmark or the hallmark—

Senator FIFIELD—It is pretty effective, though, isn’t it?

Ms Rao—It is pretty effective—

Senator LUNDY—You cannot interrupt the witness, Senator Fifield.

CHAIR—I will call the witness to order, Senator Lundy.

Senator LUNDY—Well, you should do it.

CHAIR—Please proceed.

Senator GEORGE CAMPBELL—You should call the senator to order; never mind the witness.

Senator LUNDY—The senator keeps interrupting the witness and trying to debate the issues.

CHAIR—Senator Lundy, we are proceeding with questions.

Ms Rao—I think financial accountability is important but so is, say, democratic accountability and being able to be directed by the students of the university in what you spend your money on. If they do not like what you are doing, they can remove you from office. There are other factors that we take into account in order to perhaps compensate for the fact that it is not viable to make the payment of a fee voluntary. There are other things that we do to give students as much power as we can to decide whether we do things effectively and what we provide with the fees.

Senator FIFIELD—At point 6 of your submission you say:

Students, already financially burdened, will be unlikely to pay a fee for essential services: believing either that the services are not valuable because they are not compulsory ...

Could you explain what you mean by that?

Ms Rao—If something is particularly voluntary, like representation on the university council or on a different university committee—and I sit on many of those, which I have outlined as well—and it is not explained that this is a vital part of student representation through the university, it is understandable that many students will ask: ‘What’s that bringing me? I’m not going to do it.’ But if it were not there, if they did not join up to it and it did not

happen, they would find that there was a bus track through Union Court at the ANU, for instance, which is something that we have recently said no to on one of our committees. I think that is an example of one of those services that is relevant, which people will not pick up unless they are forced to, unless they are told that it is compulsory and necessary.

Senator FIFIELD—Which places an obligation on the student association or student union to actually explain to students the benefit and value of the services that are provided; under a compulsory fee-paying regime, there is not really the same necessity to do so.

Ms Rao—Perhaps there is not the same necessity but there is a necessity, because my job is only half done if I do it behind the scenes and I do not tell the students what I am doing. When it comes around to election time people want to know what I have been doing and how I have been doing it; when it comes to AGMs they want to know what has been happening. So I do explain it to them. I agree that there would perhaps be a different emphasis on what happens under a voluntary scheme, but I am not sure that would be the best thing.

Senator FIFIELD—Why would it not be the best thing that you have to put more effort into explaining the value of the services that you provide?

Ms Rao—No, I meant the voluntary scheme would not be the best thing.

Senator FIFIELD—But is it not a better environment where students have a say over where their money goes—whether they pay the fee or not—and where the student government has to market its services to its members and make the effort to explain the value of those services to its members?

Ms Rao—That comes back to the points we have made that, if there is not a compulsory fee at the start, and there is that so-called choice to join up or not, then we might have difficulty even providing those services to start with. We may have difficulty isolating the provision of representation to those who choose and those who do not choose to do things. The fact is that when you join a university community you do join that kind of life and you do expect those kinds of services, and they should be there for your benefit when you need them.

Senator FIFIELD—Do students have the capacity to make judgments about what is in their best interests?

Ms Rao—I think they do to the same extent that any citizen in the country does.

Senator GEORGE CAMPBELL—Ms Rao, one of the difficulties for me over the past two or three days, I must admit, has been that there are that many different names of organisations in universities around the country that it is very hard to get a grip on which ones are doing what—to whom and when, I suppose. Does your organisation provide all of the services that are provided at ANU?

Ms Rao—No, it does not. We are one of four organisations that provide a certain sector of services. We are the undergraduate representative body, so we provide the representation and advocacy for undergraduates and the free services like legal, welfare, bookshop and that kind of thing.

Senator GEORGE CAMPBELL—So there are other organisations providing other services?

Ms Rao—There are, and they are outlined in part 6 of our submission: the sports association; the union, which provides the catering and food facilities; and the postgraduate association, which is similar to us but at a postgraduate level.

Senator GEORGE CAMPBELL—I don't think we have a submission from them.

Ms Rao—I think the postgraduate association has given a short submission.

CHAIR—Later today we are hearing from them, I think.

Senator GEORGE CAMPBELL—Yes, we do, sorry. So the services that you are involved in are the ones that are listed there which seem to be more focussed on the education and welfare side of the activities.

Ms Rao—Yes.

Senator GEORGE CAMPBELL—Given that this legislation is being proposed, has your body sat down and had a look at what the potential impact will be on your capacity to continue to provide those services? Have you made any judgment about what services will go if your funding falls off, and what the implications of that are for people that are employed by your organisation?

Ms Rao—Yes, we have. We have worked on an estimated percentage of students at a lower membership fee using the same statistics as Western Australia—sort of in the middle so that we do not either overestimate or underestimate. We have come up with a much reduced budget—less than 10 per cent of our current budget—which would allow us to maintain our space, to pay bills and administrative costs, and to have a very small amount for activities that we conduct. None of our office-bearers would be paid. How much we get paid is outlined there—which is an honorarium, not a salary—and that would cease. All our staff—administrator, welfare officer, legal officer, IT officer—will go; they will lose their jobs. Our social activities—orientation week and so on—will be put to the side to operate purely off private sponsorship and advertising. We are at risk of losing those jobs and those free services, and I am not sure that the university has the funds to pick those up with the loss of a compulsory fee.

Senator GEORGE CAMPBELL—The ACUMA have estimated a loss of about 4,200 jobs across the university industry, to use that term. Does that include the potential loss of jobs by your organisation or is that in addition to what they are calculating?

Ms Rao—I suspect that it is in addition, because we are not a member of ACUMA. They are the campus managers association, I think, and that would include our union and possibly our sports association but not the students association, which is a representative body. Traditionally, students associations employ fewer staff because we do not provide catering services, gym services and so on, which require a lot more staff. I would add our figures onto that, although we would probably have to check with ACUMA.

Senator GEORGE CAMPBELL—I was just wondering whether they had done a broader survey or just their own people. One of the arguments for introducing voluntary student unionism in this country, which has been projected politically over the past couple of weeks in a whole range of newspaper articles by prominent members of the government, appears to be essentially focussed on student political activities: somehow or other, making the contribution

voluntary will considerably inhibit students from continuing to participate in political activities, whether that is party political activities or activities on behalf of students, which go to representation on HECS issues and so forth. Is your assessment that that will be the effect of this, or will students continue to be politically active whether or not there is a voluntary service fee in operation?

Ms Rao—I think that this legislation will be particularly ineffective in preventing students from conducting political activity in a union type circumstance. Political activity is at a low in student unions compared to, say, 20 or 30 years ago. We ourselves have calculated how much we spend on campaigns, which is the only thing I could find that was close enough to political activity—as in party political activity, or even activity protesting against what governments or anyone else might do—and that is about one per cent of our entire budget. Simply cutting off the collection of a compulsory fee is not going to stop a students association or a student union conducting activities in that way, nor will it prevent them from irresponsible use of funds. That is another allegation I have heard in the last couple of months, which again occurs in a few small circumstances which have been caught by the law in Australia. I do not think this legislation will prevent either of those problems. The only one it does prevent is the ideological argument about whether people should pay for something they might not use or whether it should be a user-pays system. So I think it will be rather ineffective in preventing that kind of behaviour which is not liked by some members.

Senator GEORGE CAMPBELL—Is there much evidence at the ANU of students being involved in party political activity, as opposed to political activity in the broader sense of the word?

Ms Rao—Very little that is funded by the GSF. Students might be involved in party political activity, but that is their personal choice. There is no party political activity this year that I can think of that is being funded by the GSF, our compulsory fee.

Senator LUNDY—I was interested in the discussion earlier about the notion of commercial viability of student services. Is it your opinion that to have commercially run services would further marginalise or impact on those students who are least able to pay and come from a lower socioeconomic background? Can you comment on that proposition and tell me whether you agree with it?

Ms Rao—Yes. I think that is the irony of the voluntary system. The idea is that, for example, single mothers should not be burdened with a payment for something that they might never use. But they are also the same people with lower incomes and less money to spend who will be less able to take part in services on a commercial basis, because they are going to cost more. That is the problem.

Our gym membership fees are going to go up by about \$180. That is going to make them much less affordable for people who currently pay to the sports association, from the general services fee, about \$55. They are going to lose \$125 immediately if they want to join the sports association later on. That is just one example. I have already talked about legal advice, which is excessively expensive outside the free services that we offer and the one or two free services offered by the ACT government. There is a lack of free legal services provided to students by the government, and we need to compensate for that in the university. To do that,

we take \$50 from each student at the start of the year, which means that they can save a lot more money later on. That is the problem with the commercial viability argument.

Senator LUNDY—I do not know how much information you have available to you about the operation of the ANU Sport and Recreation Association.

Ms Rao—I have a little, and I can ask them to provide you with information.

Senator LUNDY—We have heard from other witnesses that the stream of revenue from compulsory fees is directly involved in their ability to source capital—that is, to go into debt—for the construction of or investment in facilities and that they will effectively be put in a position of not being able to service those debts or not being confident of servicing those debts if that compulsory fee revenue stream is cut off. If you are able to comment on that now, that would be helpful. If not, could you take that on notice and provide the committee with any examples you might have of the impact of VSU on debt financing of sport and recreational facilities at the ANU.

Ms Rao—I will take that on notice, as I could not say.

Senator LUNDY—I also want to turn to the issue of accountability. Senator Fifield seemed to suggest that having a board that was elected and that had to be accountable to the ANU et cetera was not enough accountability. Can you run through all of the mechanisms that you believe make your association fully accountable to the community at the ANU?

Ms Rao—I can indeed. For later reference, we have also set those out in the first part of our submission under heading 3, specifically for the reason that accusations have been made that student unions are not accountable for their finances. Our finances are allocated. Firstly, we make a submission to the ANU's General Services Fee Committee, which is chaired by the deputy vice-chancellor and has staff members and student members on it. We make a submission for a certain amount of money. We argue over that: they ask us where particular activities are going, what they will do and why they need that much money. Sometimes they send us back and ask for more detail. Finally, a certain amount will be passed for our budget. This happens for all four organisations.

The recommendations of the GSF Committee then go to the ANU's finance committee, of which I believe two of your number are members: Senators Brett Mason and Kim Carr. They will look at that amongst the ANU's general budgetary recommendations and make any comments that they wish to. They can send it back ; they can refuse to pass it. It is under one of the line items of the ANU's overall budget—because it is very small it does not come up as a separate line item—and it is passed by the ANU council overall. I am a member of that council. It is a 15-member governing board, including various people.

Senator LUNDY—How many students are on that governing council?

Ms Rao—Two.

Senator LUNDY—Out of 15?

Ms Rao—Yes—one undergraduate and one postgraduate.

Senator LUNDY—So they effectively pass the budget on advice from the finance committee?

Ms Rao—Yes. Council will ask questions of the chair of the finance committee, who is also a member of council. The composition of the ANU council is available very easily. It has a number of distinguished experts in finance and commercial activity on it, including a judge of the Federal Court. On the other side of that, we have to provide our budget to our combined representative council, which is elected by the students, and to ordinary general meetings every term—that is, four times a year. That includes any undergraduate students who want to attend.

Senator LUNDY—How many elections are there in a year?

Ms Rao—There is one election a year, but we have ordinary general meetings four times a year: three ordinary general meetings and one annual general meeting. At each of those our treasurer has to present our budget and where we are up to at that stage.

Senator LUNDY—So, effectively, you take the proposed budget to the students four times a year?

Ms Rao—Yes. I am interested in Senator Fifield's acceptance of and agreement with the idea that this is not sufficient to keep us financially accountable. I would like to see similar accountability to the level that we have—let alone making it voluntary—for governments across Australia. It would be very interesting to see that kind of accountability—

Senator FIFIELD—I think there is far greater accountability for Australian governments.

Ms Rao—and make it that important. Given the size of the fee that we collect and the fact that so many people scrutinise what we do with it, I think that is quite sufficient accountability.

CHAIR—Senator Lundy, I do not wish to restrict your ability to ask questions, but we have other witnesses waiting and I do not want to get too far out of kilter with the timetable.

Senator LUNDY—Perhaps I could ask Mr Tater a question about the services you provide. Could you give the committee a general comment on the impact of VSU, which has been described by many organisations. How do you think that will impact on international students' choices to study in Australia as opposed to somewhere else in the world?

Mr Tater—It is well documented that Australian universities promote themselves on the basis of their reputation, their support structure or the services that are available on campuses. They actually play a major role because, for instance, when international students come here they are new to the culture itself, and adapting to the culture takes a long period of time. The services the international student organisations provide in the sense of accommodation and the help they provide through orientation play an important role in adjusting to the new culture itself. So in that sense I think that providing services for international students is an obligation on the part of the university.

Most of the services are provided in conjunction with Australian student organisations or international student organisations, and universities should not be discouraged from increasing these services for international students. If these services go we will see a reduction in the number of international students coming to Australia. The tuition fees increase every year, the visa charges increase every year and the health cover charges increase every year. If the quality of services is not there, how will universities justify to international

students that they will have a quality experience in Australia during their whole Australian life?

Education is not only about getting a qualification; it is all about personal development and developing those interpersonal skills which play an important role in graduate outcomes. The Australian government speak very well of that and encourage it, as do the universities. Tuition fees for some programs are similar to those in the US or the UK. In that sense, with a reduction in services, international students might prefer to go to New Zealand, Singapore or Malaysia, which are emerging as major competitors of Australia in this region. I think they will definitely see a reduction in the number of international students, as we saw in Western Australia. In my submission I mentioned that in Western Australia the number decreased rather than increased, although there was an increase in 2002. But between 1997 and 2001 there was a decrease in the numbers compared to New South Wales, Victoria and Queensland.

I do not see how this will help international students to come forward and study in Australia. It will only make Australia uncompetitive. To provide services under the ESOS Act or the national code, universities have to charge more fees. This means higher expenses for international students or, if fees become voluntary, then international students have to individually pay more fees for most of the services they use. I do not think that is very fair on the part of the international students, because currently these services are subsidised for them. Most of the services—for example, the computer facilities—are free or subsidised for international students on campus. What will happen if these services are not available and they have to buy a laptop? These are quite expensive for these students. They will not be spending more time on campus, which is what students actually want. They in fact want to learn more about the culture and to mingle with the Australian students.

Senator FIFIELD—Ms Rao, in section 3.5 of your submission, under the heading ‘Is membership of the organisations compulsory’, you say:

Although payment of the GSF is compulsory, membership of the organisations that receive money from the GSF is not.

To me that sounds a fairly meaningless form of voluntary membership: you might not have to join the students association, technically, but you still have to pay the same amount of money to those particular bodies as if you did join the association. Doesn't that strike you as a pretty token arrangement?

Ms Rao—No. It serves a very specific purpose. The charging of a fee is, as the vice-chancellor has said, the university's decision, and they, at the moment, have the power to do that. So, whether a student chooses to be a member or not, they still have to pay the fee because that is the condition of being a student of the university. The reason they are allowed to opt out of membership of, say, a students association is so that we do not bind them to particular views that they might not agree with. That is an argument that I have heard against compulsory student unionism in the last couple of months: that students are being forced to adopt or be associated with particular views or actions that they might not like. The fact that students are allowed to opt out of this membership is our solution to that so that we do not force people to take on views or to be represented in a way that they might not wish to be.

Senator FIFIELD—But you will take their money and use their money to represent views.

Ms Rao—Because the university collects it and gives it to us, yes.

Senator FIFIELD—So it is a case of: ‘You don’t have to belong to the organisation, but we’re still going to take your money.’

Ms Rao—Yes, that is right.

Senator FIFIELD—The attitude is: ‘You don’t have to belong to our organisation, which mightn’t represent your views, but you have to pay your money to an organisation that might not represent your views.’

Ms Rao—Part of your money goes to different organisations. So you might disagree with what the students association does, but you might be quite happy with what happens at the sports association or the union.

Senator FIFIELD—So you might disagree with the students association about what it says and does but you still have to fund it?

Ms Rao—You still have to give your money to the university. The university can choose what to do with its GSF fund.

Senator FIFIELD—Which it gives to the association.

Ms Rao—It does give part of that to us, yes. However, even when we try to make some concessions to prevent students from being associated with, for example, political activities and representation or any kind of activity that they might not wish to be associated with, we are subject to the criticism that we are still not doing exactly what we should, that we are still not making it ‘right enough’, that we are still not complying with an ideological point of view well enough. I think it is necessary to acknowledge that most student unions do their best to try and give people that freedom of speech and association—to let them not be forced to adopt these points of view—and that is at least something we are trying to do.

Senator FIFIELD—Can I suggest that if you did not take their money you would not be subject to any criticism?

Ms Rao—Well, if we didn’t, we might not be there.

Senator FIFIELD—I have faith in the student body.

Ms Rao—Thank you.

CHAIR—Thank you very much for appearing before us today.

[10.16 am]

CULL, Ms Emma, National Policy and Research Officer, National Tertiary Education Union

MURPHY, Mr Ted, National Assistant Secretary, National Tertiary Education Union

CHAIR—I welcome the witnesses from the National Tertiary Education Union. We have your submission, No. 107. You have an opportunity to make a brief statement for the record, for two or three minutes, or state your interest in this inquiry. You can also indicate if you wish any of your evidence to be made confidentially to the committee.

Mr Murphy—I only want to make three brief remarks. First of all, we are looking at this issue partly from the perspective of the staff of student organisations because we represent members of student organisations. We have noted with concern that in the projection by ACUMA up to 4,000 jobs are at risk as a result of the proposed legislation. We are also concerned that, for those staff positions which do survive in the wake of the legislation, because of the greater level of financial insecurity and instability that the surviving student organisations would face there could be a greater use of insecure forms of employment, such as casual employment, by the surviving student associations.

Our second perspective is that we believe a significant range of services has been developed in the university sector on the foundation of the compulsory fee income. Those services are both political and non-political: they are cultural services, health related services, legal services, recreational services and food services, and we think that they are in jeopardy or that at least some of them are in jeopardy. Even those that do survive because of their revenue-generating capacity have only been created and been able to achieve that revenue-generating capacity on the basis of the history of compulsory fee revenue.

The third comment we want to make is that we think that looking at this as a question of compulsory membership is misplaced, partly because of the diversity of the forms of student organisations. The best example I can give you is that the members of the student representative council are only those students who stand and get elected to that council. The relationship of the general student body to an SRC is that of an electorate to an elected body. The real question, from our point of view, is whether the autonomy of universities—which historically have been granted autonomy by both Labor and Liberal state governments, including the capacity to charge a compulsory fee to establish a range of services that universities believe are appropriate for the student body and to assign the revenue from those fees to elected student governments to administer—should be maintained. In our view it should be.

CHAIR—Ms Cull, do you wish to say anything?

Ms Cull—No, that is fine.

CHAIR—I have just one question. In your submission you give a preference to the Victorian version of the VSU over the Western Australian version, but you say that the Victorian scheme still represents unwarranted government interference in institutional

autonomy and the rights of students. How can that be so when freedom of association is not prohibited under the Victorian model?

Mr Murphy—The comment we made about the Victorian model was that it was based on a definition that said: ‘These services are fine.’ There was a list of services that were acceptable and then there was a broad statement that political services are not. There were questions about what constituted a political service—whether *Farrago*, at the University of Melbourne, for example, was a political service because, in addition to having CD reviews, band reviews and other content, it has quite a lot of political commentary. There were questions about whether student advocate officers who act on behalf of a student who faces what we call show-reason-why cause committees, which decide whether that student should continue to remain a student, are political representatives.

I will make another point: it seems to me an artificial limitation on a student association or a student government that it would be unable to take up, with either university administrations or governments, issues that pertain to the determinants of the quality of the university experience and issues that pertain to the price of higher education. Those price issues might be to do with the fee that the university wants to charge, whether the HECS system continues, at what rate of interest the HECS payments are maintained or whether the FEE-HELP system completely replaces the HECS system and all students pay up-front fees subject to FEE-HELP. It seems to me and to our organisation to be an artificial limitation to say: ‘That is a political service; therefore that is a prohibited service for which fee income can be provided by universities.’

Senator GEORGE CAMPBELL—In point 3 of your submission you talk about the impact of the legislation on the ability of Australian universities to compete in the international education market. Presumably you would have contacts, relationships, with other international organisations similar to your own. As I understand it, and you may be able to confirm it for me, all of the OECD countries have compulsory fees in one form or another.

Mr Murphy—Yes, that is correct.

Senator GEORGE CAMPBELL—Why do you think Australia suddenly wants to move outside the circle, so to speak?

Mr Murphy—I am not sure that Australia wants to move outside the circle. I think the current government wants to move outside the circle. That reflects a particular ideological or political perspective on the part of the current government which has not historically been the perspective of previously Liberal Party governments, certainly at the state level. The comment we are trying to make is this: it is a highly competitive market for overseas students. We are competing against other English-speaking countries that provide English language education. The price varies markedly. The price value of Australian higher education to an overseas student relative to Canadian, British or American can be affected by the exchange rate.

What also can affect the interest that people have in coming to Australian universities as overseas students is the information they receive from fellow citizens in Malaysia, China or Indonesia about the quality of services—and the quality of the universities—that they received when they were studying in Australia. That information is fed back anecdotally in the sense of talking to siblings, friends, parents and other families but it is also fed back through

the media. There is a great level of coverage in Malaysian newspapers, for example, of questions about the quality of Australian higher education. So, from our standpoint, anything that reduces the quality of the student experience for an overseas student is a potential competitive risk that, frankly, universities would prefer not to have to deal with.

Senator GEORGE CAMPBELL—So you would agree with the point that many of the universities would see these services as being an effective marketing tool in terms of their capacity to compete for their share of the international student population.

Mr Murphy—We would agree with that, and that is certainly the submission of the Australian Vice-Chancellors Committee.

Senator GEORGE CAMPBELL—On point 4, ‘the threat to independent advocacy and support’, the students in Western Australia said to us yesterday that they regarded representation as their core competency—in other words, that was the central feature of the work that they had done. They expressed concern that with this legislation their ability to carry that out effectively would be severely hampered or diminished. I think that is supported by the submission we heard this morning. If that is the case, in your view, who would be likely to pick up the slack created as a result of that or have the capacity to provide those services?

If it is the university then really you create a situation of Caesar appealing to Caesar, don’t you? That is not the sort of circumstance I presume one would want to see occur. To be fair to the vice-chancellors we spoke to yesterday, they did not want to see that situation occur either. They thought that students having their own representation was the best way to go and certainly would like to see that situation maintained. I would like your comments on that. Do you regard that as a core competency for the student unions, and how would any slack be picked up if the capacity to provide that representation is diminished?

Mr Murphy—We certainly do regard it as part of the core competency and role of student unions, organisations or governments. As we have indicated, the mode of organisation of students differs markedly. We are not quite sure where it will be picked up. I do not believe it will be picked up by the universities, and I think if the universities tried to pick it up they would run into the Caesar appealing to Caesar problem that you referred to. Nor do I believe that a fee-for-service model is going to deliver the type and range of representation that is available.

To some extent—and we have identified this as a risk in our submission—there may be some academics who would assist students as part of some pastoral care perspective, if you want to describe as that. But it is very difficult for an academic to really represent a student who is actually appealing against the essay or exam mark that that academic has given or who is seeking some sort of redress against an academic for that academic’s behaviour, role or even teaching. So I do not think the expectation that the academics themselves will be able to compensate for the range of representation functions is a valid expectation.

Senator GEORGE CAMPBELL—My third point is in relation to your comments about ACUMA. I notice in your submission you talk about some 7,000 staff employed by student organisations. ACUMA estimated the loss of about 4,200 jobs and, more importantly, said that a very substantial number of those jobs were held by students themselves. They were in fact

providing the capacity for a lot of students to fund themselves at university. If that is taken away, that is presumably going to put substantial pressure on those students to be able to find the resources to maintain themselves at university. Presumably there is a likely impact on the number of drop-outs as a result of that occurring. It seems to me that that is a side of this whole debate that has not been given much consideration by the proponents or the drafters of the legislation, and the impact on students is going to be substantial in a whole range of ways.

Mr Murphy—I think it is fair to say that because of the cost pressures that today's students face, the ability to access part-time work is very important to the financial survival of a range of students, and there are problems associated with that. The vice-chancellors have identified what they think is a long-term educational problem with students who are working 20 or 22 hours a week and, at the same time, being full-time students. But that is the economic reality that we are now dealing with.

It is true to say that a significant number of the employment positions provided by student governments or student organisations are part-time employment opportunities filled by students. To the extent to which they evaporate or are reduced, that will affect the capacity of some students to get the sort of income that they need to continue. Even if they are able to find other employment opportunities providing the same income, it is unlikely that those employment opportunities will be on campus. Therefore, you have the travel costs. The advantage of being a student union or student government employee on a part-time basis is that you are on campus and you can readily move between the university library on the one hand and your source of income on the other.

Senator GEORGE CAMPBELL—I was surprised when Professor Chubb said that 80 per cent of the students who are at ANU are working and studying at the same time. Are those figures representative of the rest of the universities around the country, or is that figure particularly high at ANU?

Mr Murphy—I can only go on my recollection of what the Australian Vice-Chancellors Committee submission on this said some years ago. It was talking of a 70 per cent figure at the time.

Senator FIFIELD—Does your union believe that workers in the sector for which your union has coverage should have to belong to your particular union?

Mr Murphy—We have never espoused compulsory union membership. But it is fair to say that, as a union, we have looked with interest at a number of North American jurisdictions that make provision not for compulsory union membership but for what is called a bargaining fee for employees who are non-union members who benefit from the salary increases and conditions in the collective agreement.

Senator FIFIELD—That was going to be my next question.

Mr Murphy—I thought it might be.

Senator FIFIELD—Do you think there should be a compulsory fee for people who are not members of the National Tertiary Education Union but who might benefit from the work that the union does?

Mr Murphy—To the extent to which, as I said, we looked with interest at those arrangements. But that is not a possibility under Australian industrial law. It is not an issue that we are actively pursuing.

Senator FIFIELD—Do you think that students on campus should have to belong to a student union?

Mr Murphy—In my view that is a secondary question to the question of whether there is a compulsory fee. Many student unions already have conscientious objection provisions, and we have no quarrel with that. As your earlier discussion indicated, there are organisations that do not have compulsory membership but that receive a compulsory fee. So as I said earlier in our opening submission, I think using the membership model is not the best frame for this debate, because otherwise this problem could be solved by replacing every guild or union with SRCs.

Senator FIFIELD—But you do not think membership of a student union, association or guild should be compulsory?

Mr Murphy—I think the issue is the compulsory fee, not the membership.

Senator FIFIELD—Do you think that students who are not members of a student association, union or guild who may benefit from the services of those particular organisations should still have to pay an equivalent fee?

Mr Murphy—Yes, as I have indicated we support a compulsory fee.

Senator FIFIELD—In relation to other forms of union, Australian law prevents a fee being charged to particular employees, let us say in your sector, who might not be a member of your union for services that are provided that they may not ask for. This legislation is seeking in some way to have a similar provision on campuses. Would you agree that that would be a fairly consistent treatment if this legislation were to go through?

Mr Murphy—No, because the legislation is different in a number of respects. In the first place, as I pointed out, the legislation is designed to stop the collection of a compulsory fee by a university for non-academic services. In the second place, as I have also indicated, the universities have collected fees and assigned them to different types of student organisations, many of which do not have a compulsory membership characteristic. So again, to reiterate what I said earlier, I think the membership organisation frame of reference is in an inadequate frame of reference for what this is about.

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

Proceedings suspended from 10.34 am to 10.50 am

COALDRAKE, Professor Peter, Member, Australian Vice-Chancellors Committee**KING, Mr Conor, Policy Director, Policy and Analysis, Australian Vice-Chancellors Committee**

CHAIR—Welcome. We have submission No. 176 before us. Before we ask questions, you will 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 be made confidentially to the committee. I now invite you to make a brief opening statement.

Prof. Coaldrake—My day job is Vice-Chancellor of QUT in Brisbane. To respond to your question, I do not believe any matters of confidence will be raised. The AVCC has made a number of statements over a period of time regarding this issue, and it is fair to say that the position of the AVCC over that period of time has evolved. I guess our opening position some time ago would have been that the preferable situation would be for universities to be able to manage their own affairs in this area and be held accountable for doing so. We recognise that already some universities require compulsory membership of organisations, some charge standard fees, some charge variable or pro rata fees and some, of course, have opt-out clauses.

A number of things have occurred over the last decade in Victoria and Western Australia, and in particular the AVCC has had to take account of the government's strong views regarding freedom of association. The position that is outlined in our submission contains a number of points. I will traverse them extremely briefly. They are that membership of student organisations of any form be voluntary, that universities be permitted to levy a student services and amenities charge covering all students and pro rata along the lines talked about before, and that the services and amenities charge cover a range of things which we would find reasonably predictable in this discussion—health, welfare, sport, culture and so on—but that political activity not be funded. Importantly, and the issue came out in the previous discussion, advocacy functions need to be funded. Undoubtedly we will tour through that territory during this discussion.

VSU may not be an issue of the sort of importance in terms of the future size, shape and contribution of the sector that our teaching and research models might be, but it is an issue with great importance to individual universities. The legislation will have quite uneven impacts. Already a fault line seems to have emerged in the press around the position of regional universities and sporting activities, but I think one could identify a number of other fault lines as well. I think we need to consider the position of all students in all universities rather than form an assumption that students will be okay because these services will flow to individual universities to look after, because some universities are much better equipped and perhaps inclined to address those priorities than others.

CHAIR—We have certainly heard that range of views from universities that we have spoken to, Professor Coaldrake. However, we expect that the Vice-Chancellor's Committee will be able to distil some of the views that have come up in your discussions. As you say, VSU has been around for quite some time, and I expect that universities have faced up to the issue before of what services may be provided and how they should continue to be provided if

a university sees them as a priority. Have the Vice-Chancellor's Committee or any of the universities that you know about made contingency plans to deal with that?

Prof. Coaldrake—Our submission lays out all the services provided by all the institutions. Funnily enough, the universities do not always operate on the same basis in this sort of territory. I give you an assurance that all vice-chancellors and all universities are very closely examining the implications of the legislation and how they might deal with it, and they would be seeking to prioritise those matters. In a financial sense, that will be a more challenging prospect for some than for others, and some will be more inclined than others as well. The position of the AVCC would not go beyond providing you with an assurance that everyone is thinking about the consequences because we know the potential imminence of the legislation.

CHAIR—To your knowledge, are there any Department of Education, Science and Training regulations that might hinder universities from providing student services and amenities?

Mr King—No. There is no reason universities cannot provide the range of services that are at issue from their own funding sources, if they can divert the funding from something else. There is nothing I have seen in the legislation that stops universities providing those services.

CHAIR—In the event that unions reduce their staff because of VSU, who will be responsible for the redundancies and superannuation payments? Or will that again differ from university to university?

Prof. Coaldrake—I am sure it will vary from university to university. Quite deliberately, guilds are often structurally and otherwise very separate from university management. The guilds have certain responsibilities to their employees which are separate. This comes up if guilds get themselves into trouble. Frequently there is an expectation in a university community that the university will deal with that issue. There are a lot of reasons, historically, for the guilds being separate.

Senator GEORGE CAMPBELL—You heard the discussion before about the question of representation. A number of student groups have said that they see that as their core competency and the key to everything else they do, although they provide a range of other services. If they lose the ability to perform that function, how are the universities going to pick up the slack? How would the universities provide for students to be represented in disputes over their marks, academic achievements or what have you? Would it be a sensible proposition to have the university as both prosecutor and defendant, creating a Caesar appealing to Caesar type of environment?

Prof. Coaldrake—I am sure that all universities would be very worried about that and would regard dealing with that issue as a major priority. Even if they seek to do that in good faith, the credibility of that effort will always be at issue because of the Caesar-Caesar matter that you have just raised. Particularly in an environment which is encouraging a strong market set of underpinnings, where there is strong competition for students, where there are issues about quality that are in our papers on a very regular basis, I think that institutions need to protect their quality in every sense. We have AUQAs and a whole lot of other things coming through individual universities and the sector more broadly. But individual students' rights

need to be protected and whether, for the student population, it is credible for that protection to be provided by the university itself is a different question.

I think that the guild's role in institutions has been historically and remains a very important one and one that individual students might not perceive as relevant until they have a problem. This gets to the whole issue here because there are so many services where people might say, 'We don't use that service.' But, in some circumstances, they do. I know an argument was put to you earlier in the week that it is a bit like paying tax: no-one likes paying it, but we use particular services at particular times. I think that it is important that we not overlook the role of community in a university both internally and in the way universities are expected to reach out. We are expected to discharge teaching and research obligations, but we are expected to be relevant to our community and we are expected to bring communities in. We are not expected to be geographically or otherwise insular from the communities with which we relate, however you define those communities.

Senator GEORGE CAMPBELL—I want to look back to the funding issue that was raised with you. There is nothing that I have seen in the legislation that would prevent the university from funding these services directly but there are limitations upon how or where those funds may be drawn from, as I understand it. I understand, for example, HECS funds are regulated to the extent that they can only be applied to academic type issues. So it would mean the universities having to go out and raise funds from other sources presumably to try to provide these services. Where would they be likely to come from?

Prof. Coaldrake—I think the short answer to the question is that universities have operating budgets and they make choices. If this set of services is cut adrift then institutions need to know where they fit in in terms of the operating budget capacity that they have. The answer to that therefore will be variable capacity across institutions. I think that is all I need to say.

Mr King—I would like to comment. I do not know that the act defines the purposes for which the student contribution—what you call HECS—can be used. But clearly universities believe that its main purpose is to support the tuition, the education, of the students. As Professor Coaldrake just said, they have to make the decisions about—if they want to fund these services—what they do not use that money for otherwise.

Senator GEORGE CAMPBELL—We have spoken to the guilds over the past three or four days and I think the guild from the University of Southern Queensland, for example, has already taken the decision to wind-up provision of its services. It has debts, it is an incorporated body and if it continues to trade it will be trading in an insolvent position, so there are liabilities there. Presumably there are other guilds that will be in similar circumstances. I think in the submission from ACUMA they said they had something like \$50 million in loans and so forth that were out there. They have also contributed to the provision of infrastructure within universities, so they potentially have assets that they have provided to the university over a period of time. In the circumstances with the introduction of this legislation where will the capacity be for those guilds to manage the loans and to offset the loans? Has the AVCC taken that into consideration and looked at what ultimate responsibility will fall on your shoulders for the ultimate payment of any loan defaults in that area? It is a substantial amount of money.

Prof. Coaldrake—At a practical level I am sure that this matter will come back to the governing boards of each individual institution. It is very difficult to suggest how the sector might approach it through different state jurisdictions and so on. I would be sure that the governing boards would need to take that on board, as they obviously have in cases where guilds have gone belly up before.

Senator GEORGE CAMPBELL—So it would be a matter for each university to determine?

Prof. Coaldrake—I am sure so.

Senator GEORGE CAMPBELL—One of the issues of concern that has been expressed to us is the impact of the withdrawal of these services on the student body and the capacity of the university to take a more holistic approach to education. In other words, it is not just about academic skills; it is about life skills and a range of other activities, which a lot of these services contribute to. The point was put to us in Perth yesterday by Professor Jane den Hollander of Curtin University of Technology that one of the issues associated with the provision of services is giving students a very positive experience of university life. It is about growing or building a future alumni for the university that in itself could be a source of financial support to the university in the future, in the same way that occurs in the United States, for example, through their alumni type operations. Is that something that happens? Is the potential of that separation and the narrowing of the focus purely on academic life of concern to the AVCC?

Prof. Coaldrake—Of course. The great American institutions have 50, 100 or longer years of experience in the way they have sought to cultivate their alumni. They have had issues associated with their tax system which have made that opportunity agreeable even against their cultural context. In the long haul or in the more immediate term, one of the things people regret is that too many students come to university for class and leave. They may or may not have the time to use particular services—they may not use the sporting services but they may use the academic services. They tend to use different services at different points.

I know that in previous discussion a comment was made about students and their time deprivation. I am not speaking from the perspective of the AVCC for the moment but from the perspective of my own university. At my university, which is a university of 40,000 students, 83 per cent of full-time students are in paid employment and the median number of hours they work is 12, as shown in a reasonably comprehensive survey we have undertaken. I am of the view that it is good for students to be busy and for them to be doing things in paid or voluntary work alongside their studies, but there must be a point at which that becomes an untenable proposition.

A degree is about learning and, in a professional sense, it is also about growing up. One of the things we sometimes lack in this country is a sense of civic pride. Those who go to university should be encouraged to develop a sense of civic pride in all manner of activities, experiences and interactions they have at university. They are important things. A large number of the members of this parliament have had the privilege of university study in some very good institutions. But I would suggest—and I am sure members of the committee would accept the proposition—that the life of the typical full-time undergraduate in Australia now

may not be quite as relaxed as the life some of us might have had 20, 30 or 40 years ago. I am not complaining about that, and I do not think the AVCC is complaining about it, but we are talking about the various balances that need to be struck in the sort of educational experience we provide and the sorts of skills that we nurture, particularly in our young folk, as they go forth into their professional careers.

Senator GEORGE CAMPBELL—It seems to me that one of the fundamental issues that faces the AVCC is how you put in place a structure, which includes services, that underpins the capacity of students to maintain themselves at university through a university education given that many of them are on very limited budgets from what they get from Centrelink. It is pretty much a day-to-day existence for a lot of those students. The jobs created through some of those service providers are an important contribution to their capacity to remain there. If that is not provided by the institutions then obviously there must be greater potential for those students to fall through the cracks or to drop out of the system. Doesn't that then lead to a long-term potential for us to be back to the position we were in in the pre-sixties of universities being seen as simply elite organisations catering to one sector of the community?

Prof. Coaldrake—It is certainly unfortunate if one of the by-products of the system is that attrition levels become unacceptable, which in some institutions is a major issue, I think. In terms of how universities respond, they will respond differently. One of the matters that has not been mentioned so far is the movement of universities into the whole field of undergraduate scholarships. The Commonwealth is making a good contribution in terms of the provision of undergraduate scholarships as well, and that is acknowledged, but a number of universities are certainly at least matching the Commonwealth contribution because they are worried about the sorts of issues that you have raised. They have to balance, of course, merit related and income support related bursaries and scholarships. A lot of them are also being encouraged to be funded from extraneous sources—the corporate sector and so on.

Senator FIFIELD—Professor Coaldrake, the AVCC's submission on page 7 under the heading 'The impact of no services and amenities charge' says:

The Bill will have a devastating effect on the service provision in universities. Students, as shown in Western Australia, when given the option of not paying upfront for the services and amenities they might use at a later date, took the risk to save on the personal upfront costs to the detriment of the services and amenities on campus.

What evidence does the AVCC have that the reason students do not choose to join the guild or the union is that they are taking a chance that they might not need to use the services later or could use the services later without paying a fee?

Prof. Coaldrake—I thought you were going to ask me what evidence I had for 'devastating'. Do you want to respond to the question, Mr King? I will come back to the devastating part.

Mr King—I do not think we are trying to imply that they thought they were going to use them later on for free. I saw that that is a possible reading when you read it out. We were really implying that they were thinking they would not need them; hence, it is an insurance. Do you take the risk and pay now and you might use them or do you think that you probably will not use it and worry about it if and when it comes up? At that point, you can either join

up and pay or, if some things are lax enough, maybe you do use something for free when you possibly should legally or properly have joined up in the first place. That was all we were really getting at—that people did not want to pay the money and they were not too worried about the risk of not having the services. If they then need the service, that is something they face up to at that point.

Senator FIFIELD—I am interested in your comments on this: perhaps students would not join simply because they did not value the services that were being provided or they thought they were lousy services and did not join for that reason, or maybe the student unions and associations just did a really lousy job of marketing services and communicating with students. That is equally possible.

Prof. Coaldrake—That might be partially or completely true. I think that the point we are trying to make is that there is a portfolio of support services provided in universities which are important for the nourishment of those university communities and the students within them. People do not recognise the importance of services when they are not utilising them. I take the particular point that part-time students at remote campuses might certainly need to be protected in terms of student load. But that is the nature of the beast, isn't it? Services are there to support and sustain the community. It is not assumed it is a universally utilised service at all times by all students because it most definitely will not be.

Senator FIFIELD—If students are not aware of those services that is the fault of the student unions and associations for not making students sufficiently aware of those services and of their potential value to those students.

Prof. Coaldrake—That is true, and I am sure that the guilds around the country are uneven in their ability to promote the services they provide—there could not be any other response to that.

Senator FIFIELD—This legislation if passed would force the student unions and associations to actively market, promote and explain their services to students. That would be a good thing would it not?

Prof. Coaldrake—They would most definitely have to do that—if they had the capacity to spend the funds to do so.

Senator FIFIELD—Sorry?

Prof. Coaldrake—If they had the money to do so.

Senator FIFIELD—Sure. You mentioned that in your view too many students come to class, do their work and leave. Isn't that the choice of students as to whether they do that or not? There is no optimal level of student engagement on campus. It is the student's choice as to how they want to live their student life surely?

Prof. Coaldrake—Yes, that is the case. It sounds 'fluffy' but the student experience as you and others know is much more than about what happens for the 10, 12, 14 or 20 hours a week in a classroom. In the way students learn and where they hang out universities have had to reconceptualise the way they think about their campuses. Berkeley now, when it distributes a campus map, shows that it has wireless zones. Students do not go to refectories, which traditionally have been run, they now go to coffee shops. They work in groups; they do a

whole lot of other things. We presumably should not be merely in the position of responding to their needs, but rather seeking as much to anticipate what their needs might be. That is where the partnership with the guilds has been. They have made a financial contribution to the providing of those services, which has allowed universities to make their own choices about where they are investing.

Senator FIFIELD—If fees were voluntarily paid rather than compulsorily levied that would force student unions, guilds and associations to anticipate the needs of students far more than they do now, where often guilds and associations provide what they think the students want. If the fee was voluntarily given that would force the associations to think ahead, to anticipate, to plan and to try to work out what students actually want now and in the future surely?

Prof. Coaldrake—Students are going to at any particular point individually rate the service they need by their need at that particular time. They are not going to take a holistic view of what they might need or anticipate they need in the next two or three years such as whether or not they are going to have challenges with assessment, going to be sick or whatever it happens to be. So I am not sure that students at any particular point, particularly early on in their studies, are likely to make—I hesitate to use the term—‘rational’ choices in that respect.

The argument that I have been trying to apply is one about providing a sustainable base to the learning and teaching environment. I am saying that the guilds and amenities fee, in particular, is a major contributor to that sustainable base. Arithmetically you can see that it will be devastating for some institutions if you look at the potential gutting of income or revenue that is available to the guilds, if the experience in a couple of jurisdictions is any guide.

Senator FIFIELD—Where you had an environment in which students got to choose whether or not they paid the fee and valued the services that were provided, wouldn't that lead to a situation where there might be some services that would be more strongly supported than they currently are whereas support for other services might be reduced? Wouldn't that merely reflect the wishes of students that the resources go to those services which were most valued?

Prof. Coaldrake—I understand that. But at any time, if you look at the range of likely things to be covered—health, welfare, dental, sporting, cultural, artistic, international or whatever it happens to be—they will be used by some at some points. They will not be used at all points. I do not think I can go beyond that.

Senator FIFIELD—University unions and associations would have to take a different approach to marketing their services. They would probably bundle different services together, offer different levels of memberships, provide different levels of services for different levels of membership—as do other membership organisations, like RACV and NRMA. There would be the capacity for that to happen. I asked yesterday some of the student unions in Western Australia what they did under the voluntary student regime that was previously in effect there—whether they presented different membership packages, different membership options, different memberships fees for different levels of service. They answered that, no, they just offered the one fee and one level of service. Would you think that there is indeed a greater

capacity for unions and associations to market and convince students of the value of services than perhaps they did in Western Australia?

Prof. Coaldrake—I do think there is a greater capacity to do that better, and there is a capacity to bundle services in particular contexts. Where you have universities which are almost indivisible from the community around them, you can see a parcelling of services being provided. But you might also see the circumstance in which the absence of the university presence undermines the capacity to actually partner with another organisation. I know that there is particular sensitivity toward the situation of the regional universities, and that is understood, because many of them work very much geographically and otherwise with the communities around. But it applies to the metropolitan institutions as well. There are relatively few universities now that are geographically and otherwise insulated from their surrounding communities. I am saying that of course there is scope for that bundling together of services, but there is equally the risk that you simply will not have a set of services provided in some contexts.

Mr King—Under existing arrangements the charge for this levy does vary considerably. Some are twice that of others. There is very little evidence that people pay a lot of attention to that in choosing which university to go to, but in theory they could. Part of that is determined by the services at the university and what the student groups believe are important at that university. So there is a degree of potential market there now. I think the evidence would suggest that people do not pay an awful lot of attention to it, but they could. It does also tend to therefore suggest the lack of elasticity in this environment.

Senator FIFIELD—Professor Coaldrake, you mentioned the importance of students developing civic pride and growing up, and the role that unions and associations play in facilitating that. Civic pride will develop and growing up will happen in the absence of a compulsory services and amenities fee. It happens elsewhere in the community and in different sectors without that.

Prof. Coaldrake—Yes, it may do. Without having a long argument about whether or not there has been a deteriorating position in terms of funding rates and so on, I think there has been a view—and I think the view, understandably, still prevails, and should prevail—that the university experience in particular is about more than the core business of teaching, learning and research.

Senator FIFIELD—We all agree.

Prof. Coaldrake—The pressure on the operating grants is significant. The effect of the legislation will be to put further pressure on the operating grants. Therefore, the proposition becomes: what gives? And what gives might be what is perceived to be a set of services like this. As a result of that, the experience of university students is—I am not saying threatened, but potentially weakened or jeopardised or diminished in some way. These are intangible matters, but they are very firmly held. I think there is a lot of regret around institutions and amongst students about some of the changes that have occurred to the nature of their student experience and all universities are seeking to do something about that.

Senator FIFIELD—There is something that troubles me. We have heard a great deal over the past few days about how university students are clever and discerning, which we all agree

with. We trust university students to pick their universities, we trust them to pick their degrees and we trust them to pick their courses. But some are proposing that we do not trust them to determine, that we do not think students have the capacity to determine, whether a compulsory amenities and services levy is of value to them and is worth them paying. What is your view, Professor Coaldrake?

Prof. Coaldrake—My view, and the view of the AVCC, is that the effect of the legislation will be to the financial prejudice of institutions at large. It will have a particular effect on a range of institutions and their ability to provide the full range of services, and we do not want any more contestation between allocation of resources to teaching and research on the one hand and the support services on the other. I think that is where it is at. This has never been, for the AVCC, a particularly strong ideological issue about freedom of association or political activity by student guilds; it has always been, for the AVCC, an issue about the economic impact of the legislation on their operating circumstances.

Senator LUNDY—I would like to go back to comments that you made about university relationships, particularly between regional and outer metropolitan universities and their surrounding communities. One of the areas of evidence that has come up consistently is the funding of sporting and other community facilities that are accessible by more than just university students. Can you describe the nature of the interaction between many of those universities and the communities that they serve?

Prof. Coaldrake—I have a couple of examples. One would be where, in regional centres in particular, and in metropolitan communities too, there might be choral societies or music societies. I know attention goes to sport because people like sport, but I think there are many collaborative cultural activities—choral societies, music societies, Christian groups. At my university, the student group that gets the most amount of money from the guild is the QUT Christians group, which I have always thought was interesting. But there is a strong link between the Christians group, the choral group, the music group and so on. I know that at James Cook, historically there have always been strong linkages between the music groups and the external, because in many regional centres the university is the largest employer. And there is an expectation within the community that a certain range of services will be provided. Therefore, they tend to lock step in the way they do that. That would be a characterisation of the sort of partnership I am talking about.

Senator LUNDY—We have also heard evidence about the impact of the VSU and the effect the loss of the guaranteed revenue stream will have on the capacity of various organisations to service debt and to raise funds. We heard in Armidale this week about how the fund-raising efforts of a group involving both the university and members of the community were put on hold because of the uncertainty of this legislation. Can you make a general comment about the likely impact on future infrastructure—be it sporting, artistic or cultural—if this legislation were to pass?

Mr King—I do not think we can add too much in the way of specific examples. I do know that one or two universities, when the legislation was first put on the table last year, were considering capital developments with their student associations and they had to think through whether that was a feasible thing to go ahead with, where normally they would underwrite their project. But the assumption was that the income would flow from these charges. So there

are a number of examples like that where the university will be thinking about whether it should support that or a student body will be thinking whether it can go ahead, and if there are involvements with community or if there are cooperative arrangements they too would have to think that through. I cannot really give you more specific examples.

Senator LUNDY—I note in your submission that you have been able to provide a percentage and a quantification of the funds expended by universities and student organisations, student bodies, against computing and other study assistance. Can you comment on the relativity between the university contributions and the student body contributions in providing that computing and study assistance and perhaps give the committee an insight into the likely impact were this legislation to proceed?

Mr King—The point I need to make is that the funding from the university is money that universities have raised through these charges. So money here is all to do with money coming from those charges. It would not necessarily be the only money that supports those services. The universities will also, potentially from other sources, be adding to it. And because this is an average, it probably hides quite a range of variables behind it. You can sort of see that the university focus is on general services for students. Accommodation is one service that they are more into than others, along with the health and welfare side of things, with the student bodies obviously being more on the advocacy side. It gets back to the debate we had earlier on about whether universities can fund advocacy against themselves. The other rather hides quite a range of things. So I suppose universities are directly providing more in health and accommodation services, direct services that have an even closer tie to the students' direct wellbeing and capacity to undertake their study, with the wider range of things more likely to have been done by the student bodies. It is useful to get that data. I think it is the first time anyone has tried to pull that together. So it contributes to that.

The other category I emphasise is that, to some degree, universities contract with other bodies that are not actually student bodies to provide services as well. Again, it is emphasised that there is quite a range of arrangements out there. There is not a monolithic thing where this money is compulsorily raised by everyone and given over to some student body to spend as they wish, which I suppose sometimes is the very simplistic approach you can get from media commentary on this subject.

Senator LUNDY—Thank you for that. We have heard from Australian University Sport that there is some \$600 million worth of sporting assets and facilities which—I certainly take Professor Coaldrake's point—would also be multi-used for hosting many cultural and artistic activities. The view expressed by Australian University Sport is that the continuing maintenance and operation of that vast amount of investment in facilities is at risk. What is the AVCC thinking or planning with respect to protecting those assets?

Prof. Coaldrake—I do not think that the AVCC collectively can do much about the circumstances of individual universities established in different state jurisdictions with very different financial capacities to respond. The shorthand answer is that appropriately inclined, well-led institutions will be better able to protect those sorts of assets than others.

Senator LUNDY—So when a regional university places on the record through this inquiry that they will not be able to maintain those facilities and they will not be able to service their debts, there is nothing that can be done, in your view, if that is their situation?

Mr King—I think Professor Coaldrake is making clear the fact that the university will have to work through that and consider the value. If it is being used by community people, what is the charge they are paying? Do you raise that? All those sorts of issues have to be gone through. It comes down to whether you can raise the funds from elsewhere, whether you should direct them from elsewhere and whether it is worthwhile doing so. There are also things like maintenance et cetera—things that perhaps it is easiest to let slip for a bit. I think the Western Australian experience has been one where some of those things were allowed to drift for a couple of years, initially as a cost-saving measure. Also, for a certain time universities did prop up a range of those services in Western Australia. I think UWA is on the record as saying it was at the stage where it was about to stop that support. So, to an extent its guild was operating reasonably well, but that support could not be ongoing if the old arrangements were to continue for a few more years. That just points to the different capacity of universities to support that and invest in it. UWA was more able to than some of the others in Western Australia during that period.

CHAIR—We have run out of time. Thank you very much for your evidence today.

[11.36 am]

ELDRIDGE, Mr Felix Thomas, National President, National Union of Students

HASTINGS, Mr Graham, Research Coordinator, National Union of Students

CHAIR—I welcome our next witnesses. We have submission No. 162 before us. If you wish, you may make a brief statement 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.

Mr Eldridge—The National Union of Students represents almost all of Australia's university students. We are not a compulsory organisation. The way that student organisations join the National Union of Students is through a referendum of their members on campuses. At the moment almost all campuses in Australia are members of the National Union of Students. I thank the senators and the parliament for the opportunity to appear today. We have made submissions to and appeared before a huge number of committees in the past, and we hope that the committee will in this case take some direction from the vast majority of groups and individuals who have submitted to this inquiry and make sure this is not the last time that we see a national student representative voice make a submission.

The NUS and its affiliates can honestly say that we have received more of a response from students on this issue than on any other, from my knowledge. As the senators are no doubt aware, when it comes to student service and amenities fees the whole of the higher education sector, from vice-chancellors to students to staff, is united in favour of maintaining the current arrangements. The sector has rejected this legislation. Freedom of association is one of the arguments that is often brought up in favour of voluntary student unionism. There are obviously a number of flaws in this argument, which we have raised in our submission. The most fundamental is that student organisations are not private associations like political parties or trade unions; they are organisations set up for the public interest. In some cases they are set up by state parliaments and in most cases by university councils from a right delegated by state parliaments, which was tested in *Clark v the University of Melbourne* in 1978. Also, as I am sure the senators are aware, in 2003 the ACCC made a ruling in favour of allowing current universal membership provisions to be retained, stating that the public benefit outweighed the private detriment.

As well as these and many other arguments, at every university in Australia there are opt-out and conscientious objection clauses. The number of students who choose to do so is very small—it is absolutely tiny. It is actually smaller than the combined national membership of the Australian Liberal Students Federation. In our submission we have outlined the services that are provided by student organisations in Australia. Another thing that is vital to remember is that on some campuses some student services are provided by the university itself but are still provided through compulsory student service and amenities fees. I could rattle off a list of services, but that has already been done in our submission and, I am sure, in other submissions.

An international comparison can often be helpful, and in this case it is vitally important. In the United States, student service and amenities fees are an integral part of the life of every

university. At Harvard, students pay about \$A2,500 in student service and amenities fees. At Yale University the figure is not much lower than that, and the official position of the university is one of absolute support for independent, well-funded student organisations.

In Canada, student service fees are about the same as those currently levied in Australia, and I can assure you that in the United States and Canada there is no move afoot to outlaw compulsory service and amenities fees for students. In New Zealand, the National Party government legislated so that students were given the choice to vote on whether membership would be compulsory, and all campuses bar one have currently voted in referendums to retain compulsory fees. On that one campus the students have retained a compulsory fee, but the fee is paid to the student organisation based on the number of members that it has. In Great Britain, the government actually contributes on behalf of students, and it is not just the Labour government that does that. The Thatcher government rejected a proposal similar to the one being put up now.

The Western Australian experience of the issue, which we have probably heard talked about, was, contrary to some statements made by the minister of late, an absolute disaster, with the student guild on one campus actually going bankrupt twice. The majority of services on every campus suffered or were discontinued, and you only have to speak to the vice-chancellors of those universities to see that that is true. These campuses have only just recovered and will be some of the hardest hit by the current legislation—other than rural, regional and smaller campuses, which stand to lose out in a huge way from this legislation.

In summation, this legislation threatens the international competitiveness of Australia's universities. If you look at universities around the world, there is nowhere else where a system such as the one being proposed exists, and the \$5.8 billion international student market that currently sustains a lot of funding in Australian universities is at risk from this legislation. As well as that, there is the Australian Olympic Committee's statement that over \$100 million in funding to sport stands to be lost in Australia through the introduction of this legislation. So there are a whole range of issues and problems that this will create and a whole range of reasons why the current arrangements are satisfactory. Those are all covered in our submission.

Mr Hastings—As our submission is very long I will make a couple of points about the main aspects of the submission. Our approach has been to try to look at some of the ethical arguments about freedom of association and dissociation and private versus public association and to try to tease out some of those arguments for the committee. We also made various arguments that you have probably heard from a lot of other witnesses about the viability and provision of a lot of the core campus services. There is also civic education, the safety net aspects, the impact on regional campuses, and the impact on culture, student representation and, dare we say it, the sociopolitical aspects that students get up to.

We also provided some background on the various models of VSU that have been developed in Australia. We also looked at the various international arrangements, as Felix said, and I can confirm that Sweden, Finland and Austria also have compulsory student union arrangements. It also might be of interest to the committee that in Europe there is a process called the Bologna process, where they are trying to integrate higher education across the boundaries in the wake of globalisation in the markets, and they are playing quite a strong

role in the partnership role that student organisations can play in planning what some of the new structures of education are going to be and what the consumer rights of students within the education markets are going to be.

To finish up, echoing the points that the AVCC made, we are very concerned that this bill will have a negative impact on the education outcomes of students in terms of the quality of education that graduates are going to get. Education is not just about providing vocational attributes. It is also about developing and building intellectual curiosity, the social and civic engagement of students, and the chance for personal development and networking. We think those three aspects will be diminished in some ways if this bill is passed.

CHAIR—Has the NUS done any surveys to indicate the proportion of students who are what we might call active participants in broader student community life, as distinct from those who just want to follow academic pursuits?

Mr Eldridge—We have not done any survey of that type. But the broad range of activities provided by student organisations and the range of faculty specific activities that are also provided through compulsory student services and amenities fees mean that essentially almost every student at a university could say that they get something from their student organisation and their fees.

CHAIR—They could, but you do not have any stats to prove that a certain proportion of students are active either at the general level or at faculty level.

Mr Eldridge—Even the students in the faculties are given assistance by the student organisations in that on faculty boards and committees policies are changed and reworked based on funding that is provided to faculty societies and the ability of those societies to meet and access researchers from student organisations.

CHAIR—We heard earlier today that I think 80 per cent of students, at least at the ANU, have some form of part-time employment and that generally it is the case that the demographics at university have changed in that there is a higher proportion of mature age students and students with children and family responsibilities. Isn't the rhetoric that universities are going to collapse if this legislation goes through somewhat overblown given that diversity and the undeniable fact that many students are simply not interested or do not have time to take part in the activities?

Mr Eldridge—I do not think anyone is saying that universities are going to collapse. It is evident from the statements that have been made by every vice-chancellor in Australia that universities will change, the idea of a university in Australia will be different to the idea of a university in other nations and the non-vocational, community, extracurricular element that we have known for centuries will not be funded.

We have said many times this year that we are happy for the government to consider changes and ways of reworking the system to suit part-time, external and mature age students. Almost all universities have provision for many of those types of students to pay lesser or different fees or to pay them in different ways. We have said that, if the government is worried about external students having to pay extra fees or mature age students having to pay the same fees as other students—because I suspect there is a logical argument to be made that those students do not or are not able to experience or utilise all of the services—we are happy for

them to make a law to say that those students should not have to pay the same fees as everyone else. What this legislation does, however, is get rid of those services entirely and take away the funding structure that sustains student services in Australia and abroad. It is not responding to the needs of those students; it is wiping out the funding source for everything.

CHAIR—We have simply said that fees should not be compulsory for non-academic services, which is what I said in my introduction.

Mr Eldridge—Obviously we know that that is what the legislation is saying and what you are talking about. I am saying that that system does not work. It did not work in Western Australia when it was introduced and it has not been introduced anywhere else around the world. The system that we have is recognised as promoting the community on campus. Universities in Australia market themselves around the world on the community that this funding is able to build on our campuses—the support, the welfare and all those other things that students need to be able to stay on at university. It is logical, looking at the Western Australian example, to say that those funds will not be there if the legislation that the government is planning on introducing is introduced.

CHAIR—I think it is also fair to say that the impression we have been given is that organised sport in Australia will collapse and Australia's capacity to send Olympic athletes to the Olympic Games will be severely compromised if this legislation goes through. Would you agree with that?

Mr Eldridge—That is the Australian Olympic Committee's opinion. If you want to disagree with that, that is—

CHAIR—Yes, I do, actually.

Mr Eldridge—There you go. I do not want to disagree with that. I believe that the Australian Olympic Committee, other peak sporting organisations and other sporting identities in Australia who have identified the potential effects of this legislation on sport in Australia are correct. I believe that they know better than me—and probably better than most people in the parliament—how sport should be funded and how Australian sport will be affected by this legislation. I and the National Union of Students are willing to take on their opinion on that, because it is an opinion from such a diverse range of people—from the CEO of the NRL through to the Australian Olympic Committee and a whole range of other sporting identities in Australia. We think they know sport.

Senator GEORGE CAMPBELL—In your submission you raise, in the context of a challenge about whether or not this legislation can do what it seeks to do, the issue of the role of student organisations as public bodies. Have you had any legal advice about that?

Mr Eldridge—We understand that a number of universities are taking legal advice. It is certainly something that we are looking at. But we have not got any conclusive legal advice as of now. I believe that a few years ago some legal advice was taken, but we are looking at getting some more legal advice. I am fairly certain that there are a number of universities that are looking at getting legal advice.

Senator GEORGE CAMPBELL—The evidence that we have had so far from a range of student bodies is that they have all pointed to the fact that they see their core competency as

being the capacity to represent the interests of students in disputes with the university, whether it is over marking or whatever. They are concerned that, if this legislation goes through, their capacity to be able to continue to provide that resource will be significantly diminished. Do you believe that is the case? Are you of the view—which some people were—that the universities will be prepared to pick up the shortfall in terms of perhaps those services?

Mr Eldridge—On the first point, it is pretty clear that the current levels of funding and the ability of students and student organisations to represent their members on university boards and committees and in all those other ways will be affected. It was interesting to see the other day that the minister for education bought two birthday cakes to the 20th conference of the National Liaison Committee for International Students—which is the national representative body for international students—which was held last week. That body is funded by compulsory student service and amenities fees and they sit on a number of government consultative committees and, according to the minister, play a vital role in formulating policy. Those services and that representation will definitely be affected.

There needs to be independent representation on tribunals and on committees and for students involved in academic appeals. If the university does not have access to stakeholder consultation mechanisms—like they do now through student organisations, which are well resourced—then the universities will not be able to gauge student opinion. They will not be able to write policies with students in mind. The whole collegial model of the university as we know it in Australia at the moment will cease to be.

On the second question about whether the universities will pick up the tab, if you look at the Western Australian experience you can see a little bit of an example of how this might work. The University of Western Australia, which I suppose is broadly analogous to some of the larger and wealthier universities around the country, was able to a certain extent to put up small amounts of money here and there to help students with certain services and amenities. When it came to the smaller campuses and the regional campuses, things were completely different. That is something that we are going to see repeated around the country. The universities that at the moment are recording losses, and there are a number who have recently done so—the University of Newcastle, the University of Western Sydney and a number of other universities are in severe financial trouble in Australia at the moment—will not be able to add funds to student services or to that representation which is vital to maintain our universities as they currently operate.

So I think you are going to see those universities struggling (a) to provide those services and (b) to effectively market themselves overseas. We might have a situation where, at some of the larger campuses, taxpayers' funds and funds from full fee paying students et cetera will be used to prop up some services and to assist in providing a small level of services, to the detriment of smaller campuses—which have smaller grants, a smaller number of students or might be out in the regions—which will struggle to be able to provide those services.

Senator GEORGE CAMPBELL—Yesterday we were presented with evidence from the University of Western Australia—and I think it is also in their submission—that in fact during the period of voluntary unionism in Western Australia, they considerably ran down their reserves, and they are arguing that they will not be in the position on this occasion to underpin

the services in the same way they did on the last occasion, simply because the reserves are not there to be able to do it. So even they will be severely hampered in being able to provide any backup resources beyond what they currently provide in this area. Do you have any idea of the number of students who are involved in the various activities that occur across the university sector? There is a whole range of them and they vary from university to university. Do you have any figures as to what that represents, as part of the student community?

Mr Hastings—The data I received was from the University of Queensland. They report that they had 26,000 students—out of about 40,000 students—join the club, for example, on the campus. Several thousand people got jobs through the employment service. Flinders University would have similar sorts of figures: 3,000 or 4,000 of the 12,000 or 15,000 students, say, who are using the employment service. We do not have integrated figures. ACUMA is probably the body that would have them. I think you should get some advice from ACUMA if you want to get integrated data on that.

I also add that, when you are talking about universities providing subsidies to keep some operations going, from my reading of the bill, universities will not be able to use Commonwealth sources like HECS or even the full fees. They cannot deduct an amount from a student for that, so they can only use largely commercial and bequeathed sources of funding. Ian Chubb, at a previous inquiry, said that for every dollar that was collected, 92c was used to generate further income, so it then leaves quite a small amount. Even though the amounts of commercial income sound quite large, the profit is quite a lot smaller than it might look on the books.

Senator GEORGE CAMPBELL—Can you tell us what the basis of that advice is?

Mr Hastings—That was advice provided to Ian Chubb at the 2001 inquiry into higher education. John will probably know which one it was. I can provide the reference for you. It was a Senate report in 2001. It might help people get some idea of what sort of money universities might have in terms of profits that they could redistribute to student organisations. As I said, we are stuck with no guarantee they will do that but they could use that sort of income.

Senator GEORGE CAMPBELL—I would appreciate it if you could do that.

Senator FIFIELD—Mr Eldridge, is your position as President of the National Union of Students a full-time position?

Mr Eldridge—Yes, it is.

Senator FIFIELD—Do you receive a salary or honorarium for that?

Mr Eldridge—Yes.

Senator FIFIELD—Can you indicate to the committee the ballpark figure?

Mr Eldridge—It is approximately \$30,000.

Senator FIFIELD—How many campus organisations are members of the NUS?

Mr Eldridge—I do not have that figure on me but it is all bar, I think, four. The situation is that, on different campuses, there are different organisations. In Western Australia you have the guild structure so that there is only one organisation on each campus. But if you go, for

example, to Flinders University I think there are seven student organisations. We generally have one organisation from each campus and the number is roughly between 30 and 35.

Senator FIFIELD—You can take that on notice and advise us how many campus organisations there are. What are the affiliation fees for the campus organisations?

Mr Eldridge—Our affiliation fees are \$5 per equivalent full-time student unit.

Senator FIFIELD—Do you see the National Union of Students as a union?

Mr Eldridge—No, I do not.

Senator FIFIELD—So the National Union of Students is not an affiliate of the ACTU or any other union?

Mr Eldridge—No, we are not affiliated with the ACTU or any other trade union.

Senator FIFIELD—Are you a member of a political party?

Mr Eldridge—I am here to represent students from all those student organisations. The National Union of Students represents 500,000 to 600,000 students around Australia and I was elected by 75 per cent of the delegates—

Senator FIFIELD—Other witnesses have been asked whether they are members of political parties and they have answered. Are you a member of a political party?

Mr Eldridge—I am a member of the Australian Labor Party, a rank and file member, and I sit on the national executive of the National Union of Students which has members from a whole range of political parties, ranging from your own through to parties on the far left.

Senator FIFIELD—Equally disturbing. Who is currently serving as general secretary of the National Union of Students?

Mr Eldridge—Sacha Fenton.

Senator FIFIELD—Is Ms Fenton a member of a political party?

Mr Eldridge—I understand that she is a member of the Labor Party but I am not certain of that.

Senator FIFIELD—Are you aware whether there have been any presidents of the National Union of Students who have not been members of the Labor Party?

Mr Eldridge—I am fairly certain that there would have been. I do not know the name of every president of the National Union of Students.

Senator FIFIELD—Does the National Union of Students donate to any political party—I assume the answer is no.

Mr Eldridge—No. We are constitutionally forbidden from doing so and even if we wanted to we could not. I am sure that our membership would have something to say about it if anyone from the National Union of Students tried to—

Senator FIFIELD—Donate money to a political party.

Mr Eldridge—Yes.

Senator FIFIELD—Do you think that any of your affiliate members would have anything to say if the National Union of Students actually spent money in a federal election campaign campaigning against a political party? Do you think they would have something say about that?

Mr Eldridge—In 2004, which is what I presume you are referring to, the National Union of Students, through a process of consultation and through our national conferences and resolutions passed on different campuses, ascertained that our members did not want to pay extra HECS fees. This was something being proposed by the federal government at the time. The National Union of Students, of which I was not the president at the time, ran a campaign in two parts. First of all the campaign was an ‘enrol to vote’ campaign. Some figures suggest that there are hundreds of thousands of students who are not enrolled to vote. Secondly, the campaign was to encourage students to put the Liberal Party last when they were voting if they did not want to pay extra HECS fees the next year.

Senator FIFIELD—What was the method of consultation with the campus organisations?

Mr Eldridge—We have a broad range of consultation methods. We hold a number of conferences. For instance, our national conference is held at the end of every year in December and the national education conference is held in July each year. Through those mechanisms and through campuses themselves passing resolutions and through our national executive those decisions were made.

Senator FIFIELD—Chair, with the approval of the committee I will pass to the witness and members of the committee an Australian Electoral Commission return from the National Union of Students.

CHAIR—Yes, you can table that.

Senator FIFIELD—This is a return to the Australian Electoral Commission from the National Union of Students Inc. for the period 31 August 2004 to 9 October 2004. Mr Eldridge, is this the ‘put the Liberals last’ campaign expenditure?

Mr Eldridge—Part of it is, yes. Part of it is our ‘enrol to vote’ campaign, and I would imagine part of it is the ‘put the Liberals last’ campaign.

Senator FIFIELD—So it is a campaign all up of some \$250,000. You said earlier that you thought your affiliate members would be upset if the National Union of Students donated to a political party.

Mr Eldridge—Yes, I am sure they would be.

Senator FIFIELD—You do not think that they would be upset that \$250,000 of—is this money from affiliation fees?

Mr Eldridge—Yes.

Senator FIFIELD—Money which is provided by affiliated student body members of your organisation?

Mr Eldridge—Yes.

Senator FIFIELD—Money which they would get from amenities and services fees or other fees?

Mr Eldridge—If their campus had held a referendum and students had decided to join the National Union of Students, then yes.

Senator FIFIELD—So this is student money which is going into a partisan election campaign against a political party.

Senator LUNDY—The witness has already made that very clear in his answer to earlier questions, so I am not sure what the point is.

CHAIR—I think Senator Fifield is endeavouring to get a definitive answer from the witness.

Senator LUNDY—I think the witness has given a definitive answer and this electoral return just confirms what the witness has already placed on the record and what is already a known fact.

CHAIR—I think we are exploring that, Senator Lundy, so I will allow Senator Fifield to continue.

Senator FIFIELD—Thank you, Chair. Mr Eldridge, do you think that your affiliate members and students on campus—as we identified, this is student money which has been compulsorily acquired from university students—

Mr Eldridge—This is affiliation fees from campuses where the students have voted to affiliate with the National Union of Students.

Senator FIFIELD—Yes, they have voted to affiliate with the National Union of Students on a campus level but, nevertheless, on those campuses there are individual students who are paying money, through their fee to their student association, who may not have voted to affiliate with the National Union of Students, who may not want to pay a compulsory fee but who are required to pay a compulsory fee. Are you genuinely telling the committee that you think that the expenditure of this \$250,000 represents the views of all students on campus, or even a majority of students on campus?

Mr Eldridge—The expenditure and the campaigns that were run I believe represent the majority views of our affiliates.

Senator FIFIELD—The majority views of your affiliates, but not necessarily the majority view of students on campus who do not have a choice as to whether they pay their amenities and services fees.

Mr Eldridge—Sorry, I am not sure what you are getting at.

Senator FIFIELD—All students are compelled to pay an amenities and services fee. Do you think this reflects the view of a majority of students?

Mr Eldridge—I think this reflects a view of the majority of the affiliates of the National Union of Students. Those are the people that we are there to represent. We do not represent students whose affiliates are not members of the National Union of Students.

Senator FIFIELD—But, in effect, you still get some of their money.

Mr Eldridge—No, we do not. We only receive funding from campuses that are affiliated with the National Union of Students.

Senator FIFIELD—Yes, campuses that are affiliated. But not every student on campus would support affiliation and you still get their money.

Mr Eldridge—I do not think every person in Australia would support this inquiry, but it is being funded because a majority do.

Senator FIFIELD—I guess that is the problem with these fees being compulsory: there are people on campus who are paying money to student bodies, they then give it to you and you spend it on political campaigns which they may not necessarily support.

Mr Eldridge—We have democratic procedures that I have already outlined but which I will outline again which involve students on a campus voting to affiliate with the National Union of Students. Then yearly—or more than yearly, if they want to—they have the opportunity to disaffiliate from the National Union of Students. Those students vote in student elections yearly to elect delegates to the National Union of Students, and those views are taken on by the National Union of Students, its office bearers and its executive as the views of the majority of its affiliates. If that is what the affiliates decide to do then that is what the National Union of Students does. It is analogous to any organisation in which a majority vote decides the outcome.

Senator LUNDY—I would like to go to this issue of democratic structures and the process by which the NUS operates. As you have said, campuses choose whether or not to affiliate with the NUS. Can you go through the decision-making process at the national council of the National Union of Students and elaborate on how democratic your structures are?

Mr Eldridge—Certainly. Campuses hold votes, generally referendums, to decide whether or not their organisation will become a member of the National Union of Students. If a certain number of students vote and a majority is in favour—

Senator LUNDY—So a certain number of students have to vote as well?

Mr Eldridge—A certain number of students have to vote. That can vary from campus to campus based on the referendum provisions, but it is generally a percentage. Once the campuses decide to affiliate, the organisation then pays its affiliation fees, as I outlined earlier, and every year from then on an election is held to elect delegates to the National Union of Students conference, which is held yearly in December. At that conference, delegates from every university that is a member—which at the moment, thankfully, is almost every university in Australia—assemble and vote on the policies and the agenda for the National Union of Students for the coming year.

Senator LUNDY—How many delegates would be at that conference?

Mr Eldridge—About 300—it is quite a lot. Larger campuses have up to seven delegates attending from each campus. The proportional representation generally means that you get a mix of political views, and over the years a whole range of political views and non-political views have been represented at NUS—as I said before, from liberal to far left and everything in between. There are also a number of other consultative mechanisms. The state branches of the National Union of Students hold state conferences where the delegates from their states meet. There are also a whole range of other forums such as forums of campus presidents and campus office bearers and those sorts of things.

Senator LUNDY—Is it your understanding that the National Union of Students has always got involved in criticising the government of the day—as opposed to any given political party at any given point in time—on policies that the NUS believes will disadvantage students?

Mr Hastings—Maybe I can answer that question. I was a representative at the beginning of the NUS, and we were very tough on the Labor Party. The biggest protests were against the Labor government.

Senator LUNDY—So the NUS criticised the Labor Party?

Mr Hastings—There was a rally of 10,000 to 15,000 people.

Senator LUNDY—That is certainly my memory too.

Mr Hastings—I remember people surrounding ALP offices and giving all sorts of trouble to the ALP. Basically, we are representing the students as best we can.

Senator LUNDY—Indeed. And the federal government for the last nine years has indeed been the coalition government, so would it be fair comment to say that their being a target for your activity is at least somehow related to the fact that they are in government?

Mr Eldridge—It is related to the fact that they are making policy and that students and student organisations and those democratic structures will react to what policy is being made and how it will impact on their members. For instance, one of the largest campaigns—a campaign that we are yet to succeed in—is the provision of travel concession cards for international students in New South Wales and Victoria. Our Victorian branch did succeed in running a campaign, which was against the policy of the Labor state government, to decrease concession fares for domestic students. We continue to run a campaign that is very critical of both the New South Wales and Victorian state Labor governments on travel concession fares.

Senator LUNDY—Are you putting that forward as evidence that you are not a partisan organisation—that you are genuinely critical of policies from whichever party you observe?

Mr Eldridge—If you look at the history of the NUS, as Graham has outlined, you will see that we have come under fire from both Labor and Liberal governments. We are not party to any partisan political interests; we are constitutionally bound not to be so.

Senator LUNDY—Senator Fifield's line of questioning indicates the angst the Howard government feels about the criticism and, indeed, expenditure of campaign funds in the last federal election. Does the NUS have a view as to whether the VSU campaign by the Howard government is motivated to silence the NUS and other student organisations that have been consistently critical not just of the Howard government but of governments of the day when their policies have been to the detriment of students' interests?

Mr Eldridge—I think it is fairly clear, and it has been made clear by a number of members of the government that that is the case. Senator Brett Mason recently stated in the *Sydney Morning Herald* that the prime motivation behind the legislation is for Liberal party members to get revenge on political foes from the 1970s. In leaked briefing papers over the years there have been mentions of targeting and getting rid of the National Union of Students because it is not seen as a conservative friend. We have seen today that it is clearly not seen as a conservative friend. I believe that part of the mission statement of the Australian Liberal Students Federation for a number of years—since they recognised that they were unable to

win campus elections and to garner the majority of votes from students—has been to shut down the democratic structures that exist on university campuses. One way of doing that is through voluntary student unionism.

Senator LUNDY—Did you say that is part of the Liberal students groups' charter?

Mr Eldridge—It is something that has been said over the years and it is something that I believe was part of the reason for the organisation being set up.

Senator LUNDY—So Liberal student groups that compete against students from other parties, like the Labor party, have actively promoted VSU to disempower the people that win democratically on those campuses?

Mr Eldridge—I believe that absolutely. Student representation around the country is not an explicitly party political area. Most campus tickets and elections are run on independent tickets, and political parties are generally not the main thrust in elections. But Liberal students and at the National Union of Students, when they identify themselves as a group of Liberal students, have never represented more than five per cent or so of student voters around the country.

Senator LUNDY—So is it a fair observation that, because these groups of self-identified Liberal students are unable to win within the democratic structures provided by student associations, and ultimately the NUS, their strategy has been to convince the Liberal government of the day to pass legislation to make that sort of activity unlawful?

Mr Eldridge—That would definitely appear to be the truth. If you look at the statements made on radio by the President of the Australian Liberal Students Federation, Mr Julian Barendse, you will see that he said that the object of the legislation that he had drafted—which is this current legislation—

Senator LUNDY—So, he claimed to have drafted this current legislation?

Mr Eldridge—Apparently, the minister had allowed Mr Barendse to write the legislation, which I guess would explain its flourishes like the fines on universities.

CHAIR—I think that is a relatively unsubstantiated comment. We did have evidence from the Liberal students in Melbourne on Monday which would give the lie to that. I think you should be careful about making those sorts of statements.

Mr Eldridge—I will qualify it by saying that he said on radio in March, 'I drafted the legislation last week and it is designed to destroy student unions.' That is a direct quote.

CHAIR—That does not indicate that that is the legislation that has appeared or that will appear before the parliament. I do not wish to deny you the ability to question, Senator Lundy, but lunch is looming and I do wish to resume at one o'clock.

Senator LUNDY—I think Mr Eldridge made his point clear that, as far as his understanding is concerned, he is quoting that particular person from a radio interview that he gave. I think the *Hansard* record will show that he is speaking the truth as far as he has been led to believe that it is the case.

CHAIR—And the truth of the *Hansard* record from the Melbourne hearing will also appear in due course.

Senator LUNDY—On this general point, which seems to me to be a concerted effort by Liberal students to give effect to this strategy, how does that manifest itself in the NUS's general understanding of the importance of student involvement in the running of institutions? I would like to turn to a study that you quote in your submission—a study commissioned, indeed, by the federal government. I think it was the Family and Community Services National Youth Affairs Research Scheme that related to civics education, and it reads:

The third most common response to the survey question on what the respondents thought would be helpful to support young people to be meaningfully involved in society, was for programs that encourage youth participation in government and in schools to be more widespread and more genuinely participatory.

Can you comment on what you have observed is a Liberal student strategy to effectively undermine the democratic involvement of students in university governance through their campaign and on the NUS's view on that?

Mr Eldridge—Obviously, student organisations and the democratic structures that they provide offer students an ability to engage and have a direct impact on the decisions that affect their lives through forums like this, through university boards and committees and those sorts of structures and through student organisations themselves and the ability of students to democratically decide how money will be spent on campus. So it is a vital part of a university education and it is recognised around the world as being a vital part. The only reason I can really think of that the Australian Liberal Students Federation would want to destroy student unions is that students continually through those structures voice their opposition to things like fee increases, which in the past have been policies of the federal Liberal Party. I can only assume that that is their reason for wanting to destroy student organisations and the democratic structures that they provide to students—they do not like what students are saying.

Proceedings suspended from 12.24 pm to 1.08 p.m.

HORTON, Mr Stephen, President, Council of Australian Postgraduate Associations**SKINNER, Ms Sally, Research Officer, Council of Australian Postgraduate Associations**

CHAIR—Welcome. We have submission No. 157, from you. Before we ask questions, you have an opportunity, if you wish, to make a brief statement for the record, for two or three minutes, 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 opening statement.

Mr Horton—From the perspective of the Council of Australian Postgraduate Associations, there is a lot of confusion around the current bill, including the name of the bill: Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005. What we are actually looking at is the abolition of the ability of a university to charge collectively for the services and amenities that are provided to the students of that university.

There has been a lot of talk about various services provided, political activism and the price of sausage rolls at Sydney university as compared with King Street. From the perspective of our affiliates, what we are looking at is a threat to particularly two types of services our affiliate organisations provide: advocacy and representation for postgraduates. These are two services that the universities are unable to provide because they need to be provided by an independent body. A student who has a grievance procedure with a university cannot be represented by an employee of that university. They need an independent advocate.

In several of the submissions and throughout the hearings we have heard how many students use these services. On issues of advocacy and representation, as we have put forward in our submission, we argue that changes to university policy as a result of the intervention of an advocate from one of our affiliates or through the representation of postgraduates on a variety of university boards and committees benefit all postgraduate students. There have also been a number of submissions from a variety of our affiliates—I will not go into the details—referring to the support given not only to on campus postgraduate students but also off campus students, remote students, part-time students and the like.

We would see that there is an increasing need for advocacy due to the increasing personal financial commitment to pursue higher education and in particular to pursue postgraduate higher education where very little income support exists. In this sense, one of the major roles of our affiliates is to act as a consumer advocate group, the product being of course the purchase of education, which is the way education has become.

We are also looking at what university education is. It is more than just attending lectures and tutorials. We are looking at the quality of the education. This is something that the Minister for Education, Science and Training himself has been quite concerned about—the quality of Australian education. We would argue that it is our affiliates and the Council of Australian Postgraduate Associations which monitor and put student input into assisting in determining the quality of education.

It is also the quality of the educational experience. The extracurricular activities that occur as a result of student organisations are an integral part of the educational experience. We have

a \$5.8 billion education export industry and we are in competition in this market with the US, Canada, UK and New Zealand. Those countries all allow universities to charge an amenities and services fee.

The current bill is also opposed by many of the higher education sector groups—from the AVCC right through to the students. That has all been said. Also, the current bill is opposed by many members of the coalition, particularly those whose constituencies involve rural and regional Australia. We would argue that this bill has little to no widespread support and as such should be rejected.

CHAIR—You might explain to the committee the way in which advocacy works. Obviously we understand that it is a system of representing the interests of students to a panel or a group of people who are going to make a judgment in terms of exam results or other matters. Could you tell us whom the student is normally joined by to represent his or her interests, if indeed that is the case, and the composition of the panel which the student faces.

Mr Horton—Certainly. It varies from university to university, but I would say that by and large the majority of student advocates representing the student are staff members employed by the student organisation, whether that be a separate postgraduate student organisation or an all-encompassing, generic student organisation. The advantages of that system are that the staff member retains corporate knowledge, knows the way the system works and knows the people. From my experience and experiences I have heard about from others, often the issue can be resolved in a very non-adversarial way.

The only alternative, if you do not have an advocate from an independent student organisation representing you, is to hire a lawyer. That is something that the universities are opposed to. I see it as being an expensive proposition for the student, and it does not necessarily deliver a result of benefit to that student or to the wider student community. It tends to be extremely adversarial. Many universities now have proscribed lawyers who are unable to represent the student in internal disputes.

CHAIR—So the advocates are professional advocates?

Mr Horton—Yes.

CHAIR—Employed by the student organisation?

Mr Horton—Yes. The composition of the panels varies immensely. It would depend on what type of panel it was. When I was the President of the James Cook University Postgraduate Student Association, I sat in on some grievance panels as a panellist, in order that there was balance within the panel. Often you will get the student rep sitting in on a panel, and other members of the panel would be members of the academic work force of that university or even the administration of that university.

CHAIR—Obviously you have estimated the position of your revenue and the effect on it of this legislation. I am assuming your revenue will drop.

Mr Horton—That is correct.

CHAIR—Can you give us an indication of the amount, as a percentage or as a dollar figure?

Mr Horton—Currently our revenue is received from our affiliate organisations. It tends to be based on effective full-time student units of postgraduates although, due to the varying nature of postgraduate associations and their relationship to other bodies and their varying degrees of funding, that is often negotiated. Should the postgraduate associations not be receiving any income or be receiving very little income, we anticipate that we would be receiving minimal to no affiliation fees and would have to seek funding from other sources, which could compromise our independence.

CHAIR—What is your total revenue?

Mr Horton—Our total revenue would be in the vicinity of \$600,000.

CHAIR—Of that, what is the proportion or the dollar amount of up-front student fees through the general services payment?

Mr Horton—With many of our affiliates, that is the only income they receive, because they do not have commercial operations on the campus. It is only the fee that they receive, so in many cases it would be purely from that source. Other affiliates do have additional sources of income, but it is a decision for the affiliates to make where the fee for affiliation to CAPA comes from.

CHAIR—If \$600,000 is your revenue, what other sources of revenue do you have?

Mr Horton—None.

Senator FIFIELD—Mr Horton, you mentioned that you were President of the James Cook University Postgraduate Student Association. Are you still a postgraduate student at James Cook?

Mr Horton—I am a deferred postgraduate student.

Senator FIFIELD—So this is effectively a full-time role that you are in now as president of the association.

Mr Horton—That is correct.

Senator FIFIELD—At the end of your opening remarks you indicated that you thought that the bill should be rejected. Am I correct in taking that to mean that you think the bill should be rejected outright rather than your association arguing for amendments?

Mr Horton—Part of my role is to lobby on behalf of our affiliate organisations, and I have been discussing the possibility of amendments with members of the coalition with varying degrees of success. We see no need for voluntary student unionism legislation. However, it has been indicated that both parties within the coalition support the concept of voluntary student unionism. We would see that amendments that allowed for the provision of a total range of services that benefited the students would be preferable to the current bill.

Senator FIFIELD—In your submission, at 1.5, you talk about the consequences for regional universities and their communities. As someone who was attending and will again attend a regional university—is James Cook in Townsville?

Mr Horton—I was at the Cairns campus but Townsville is the primary campus.

Senator FIFIELD—We have heard it asserted by a number of witnesses over the last few days that regional universities, regional campuses, will be particularly adversely affected by this legislation, but we have not heard many specific examples of how regional universities will be affected in a way that is different from the way metropolitan universities will be affected. I—and others—have cited the example of Monash University’s Clayton campus, which although it is in Melbourne is physically removed from a lot of the services in the general community because it is in the middle of an industrial area. We have not heard many specific examples of how regional campuses will be particularly affected compared with metropolitan campuses. From your understanding of regional campuses, could you give us a few specific examples of how regional universities will be affected compared with metropolitan universities?

Mr Horton—Yes, certainly. One of the issues that would definitely impact on regional universities is that, while I consider it preferable for a student to get degrees of welfare support from their student organisation on their campus, in metropolitan areas there are other options. How viable they are, I cannot go into, but there are other options for a student to receive varying degrees of support. In many cases they will be paying for those degrees of support in excess of what the fees are.

Senator FIFIELD—Could you give us an example of those sorts of things?

Mr Horton—Again, with the grievance procedure you would be paying lawyers fees. If you were looking at the services that some of our affiliates provide, such as editors in residence who help to go through a thesis, you would be paying commercial rates for that service. These services are provided free of charge from the amenities and services fees that are collected. There are other degrees of academic support, such as international students receiving academic English language support. Again, you would be paying commercial rates for that service.

Senator FIFIELD—How is the impact of that different in Cairns or Townsville to Adelaide or Hobart?

Mr Horton—In a lot of cases those services would not exist in the regional centre like they do in the metropolitan area.

Senator FIFIELD—They do not exist in large cities like Townsville or Cairns?

Mr Horton—Townsville and Cairns do not have anywhere near the range of services that are available in Brisbane, Sydney, Melbourne and Adelaide. If a student needed welfare support from one of those cities, the services are already pushed and they do not have the degree of welfare support.

Senator FIFIELD—Could you give some specific instances of where that is the case? Townsville and Cairns have doctors and lawyers. They have all sorts of welfare agencies, government and non-government.

Mr Horton—I have had discussions with people in Townsville, including prominent members of the National Party, and that seems to be the consensus that exists. There is not the range of services. The services that exist at the moment are already pushed to their limit. With the additional influx of students, who currently rely on the services that are provided by

student organisations, it would be a totally unmanageable situation for these services to cope with. Of course, it varies with the specific service but, with respect to the degree and the variety of services that are required, it has to be remembered that dealing with problems of students and problems within an academic environment requires specialist attention. The people who are currently working for student organisations, particularly in the regional centres, are not only very dedicated to their job but also very knowledgeable of their job and the intricacies that are involved. Simply tendering out and relying on market forces would not be a solution.

Senator FIFIELD—Again I am looking for some specific instances as to how regional universities would be particularly affected compared to metropolitan universities. It has been asserted by a number of witnesses but I have been having difficulty, over the last few days, actually teasing out specific instances of how regional universities will be affected in a way which is different to metropolitan universities.

Mr Horton—Should this legislation come in in its current form I am sure you will get many instances of it occurring.

Senator FIFIELD—It would just be helpful for the committee to have specific instances but as yet we have had some difficulty—

Mr Horton—I do not know how specific I can get on those instances.

CHAIR—For instance, we were interested to know the number of medical practitioners in Armidale who were available in the town to service a reasonable regional population of 22,000 in the town itself, let alone the hinterland. Given that the university was not an unmanageable distance from the town with a regular amount of transport running we were interested to know the ratio of doctors to students and the general town population and yet we have not been able to find those figures anywhere. We would have thought, given the supposed strength of this argument that is being mounted, that we would have obtained some evidence to bolster it. So that is an example of what we were talking about.

Mr Horton—I would not have figures for this, but how many people would be able to take on the roles that student welfare and academic support staff perform at regional campuses in particular? There are sociologists, psychologists and a variety of other professionals as well who work in these organisations. I would question how many people work freelance outside the university who could specialise in the specific needs of students, particularly international students—a very specialised area of work. Considering the money that international students are paying, they are likely to demand assistance when they need it. International students are encouraged to go to regional centres. The change in the DIMIA points for permanent residency gives more points to students who attend a regional university. Are we going to send people to regional universities and say to them, ‘You will get very little support. Find your own way’? I think that is a recipe for disaster.

CHAIR—I think the point that Senator Fifield is making is that as yet we have been given no concrete evidence. However, I will allow him to continue.

Senator FIFIELD—You talk about international students. I guess that Cairns and Townsville market themselves as quite cosmopolitan and multicultural cities anyway. I

imagine that there would be a range of professionals who are used to working in a cross-cultural environment.

Mr Horton—That is not necessarily my experience. If Cairns is multicultural, it is multicultural because of the number of tourists that come through and I do not find Townsville very multicultural at all. Maybe that is just my perspective of the suburb that I grew up in and the way I view what is multicultural.

Senator FIFIELD—Say a campus has a student fee of \$220, who do you think is in the best position to determine how that is spent? Is it the students themselves or is it a student body such as a student union or a student association?

Mr Horton—I feel that when you are looking at how the money is spent it needs to be a collective decision. It needs to be one that takes into account not just the individual wishes of the student at the time of payment. It is the corporate knowledge of perceiving where demand is. I do not know of a student organisation that would employ a staff member if there were not demand for the staff member to be working in that area. At James Cook the academic and welfare staff are always flat out with their work. A first-year student who is just signing up for enrolment would not even perceive that there would be a need for that service. However, when they do find that need for the service, that service is heavily in demand. It is a bit like students already deciding that they would rather their money going to another activity. Just as government makes decisions in the interests of all about where money should go—an individual taxpayer's money does not go back into the same street where they live—it is provided for a social benefit. The amenities and services fee is part of a social benefit; it is not just an immediate benefit for that student but for future generations of students, in the same way that the money from students who have paid their fees over the last period is benefiting students today.

Senator FIFIELD—In short, your view is that the collective knows better than the individual about how to spend that money?

Mr Horton—Yes.

CHAIR—They appear to be all the questions that we have for you, so thank you for your appearance here today.

[1.36 pm]

MANNNS, Mr Rod, Branch Manager, Funding and Student Support Branch, Higher Education Group, Department of Education, Science and Training

WALTERS, Mr Colin John, Group Manager, Higher Education Group, Department of Education, Science and Training

CHAIR—I welcome officers of the Department of Education, Science and Training. Thank you for your submission, No. 165. You will have an opportunity to make a brief statement for the record or to briefly refer to your submission. You can also indicate if you wish any of your evidence to be made confidentially to the committee. I invite you to make an opening statement, if that is what you wish.

Mr Walters—We thought that, since the submission gives a fairly full exposition of the facts of the matter—as they appear to the Commonwealth—and that, in combination with the minister’s second reading speech, it probably gives a fairly clear picture of the Commonwealth’s view on these matters, we would not trespass on the patience of the committee by adding to those matters with an opening statement.

CHAIR—Several issues have been raised during the course of the hearings which I would invite you to comment on—if you are not able to comment, I am sure that you will say so—particularly addressing the issues faced by smaller regional universities, if this legislation is passed. Indeed, evidence which we have just heard—which was reiterated in a number of submissions—said that the cessation of income from compulsory up-front fees would mean that students would be unable to access the providers of services such as health and welfare, advocacy et cetera which are not as available in regional centres as they are in larger metropolitan centres. If you have a comment to make about that, we might start there.

Mr Walters—The first thing is that from the government’s point of view the same issue of principle applies in regional universities as it does everywhere, which is that there are a range of services which students might want to access, but the principle which the government is adhering to is that those who do not want to use those services should not be compelled to subsidise the services for those who do. Services of a non-academic nature should be offered on the basis that those who want to access them should pay for them. In the case of regional universities, obviously in every aspect of non-metropolitan life the full range of services is not available that may be available in metropolitan areas and that applies on campus and in the towns as well.

But there are opportunities as well as issues to be dealt with. For example, there might be welcome opportunities for small businesses in regional areas in seeking to offer some of the services which are currently offered on campus and funded from a compulsory fee. If students choose not to continue to support those services, they should pay for them voluntarily. But the ultimate test is whether the students are willing—given that they will no longer be having to contribute a compulsory payment and will have that money available—to continue to spend it on those services.

CHAIR—Do you consider that students will suffer materially from the passing of this legislation? We have been given to understand that student life as we know it will collapse and that students will no longer have anything like the experience that they have now at university with the imposition of fees if those fees are removed.

Mr Walters—The first thing to say is that students will benefit from having between \$100 and over \$500, depending on the university, returned to their pocket to spend on whatever services that they choose to spend it on. If they choose to spend that money on the services which are being provided at the moment, there will not be very much change. Services that the students receive of a non-academic nature are not all funded from compulsory fees and, from the evidence provided, I think by the AVCC, it is clear that some services are provided by other means and some services are already provided by means of subsidy from the universities. If you look in our submission at the figures that we have been able to get from the web sites, it appears that compulsory fees make up less than half, in some cases a good deal less than half, of the revenue which is earned by some of the student associations.

There are a number of different ways in which services can be provided, and services are not just available on campus. For example, I was reflecting on my own student years when, if you wanted to do sport, you probably did have to do it on campus. These days students have a wide variety of facilities off campus to choose from as well, and many of them choose to use those. I think it all depends on what students choose to spend that money on, where they choose to spend it and how the universities and student associations respond to a changed situation.

CHAIR—Did the department do modelling of any sort or any future projections in terms of activities on campus or financial considerations before this legislation was drafted or while it was being considered?

Mr Walters—We have tried to summarise the information that the department had available in the submission that we have given to the committee. Beyond that, basically the government's stance has been based on principle rather than an analysis of what might happen to any of the existing players in the field. The principle is that students paying for a non-academic service should do so voluntarily and not through compulsory fees.

Senator GEORGE CAMPBELL—Mr Walters, I understand that you are putting the government's arguments here.

Mr Walters—That is what we are paid to do.

Senator GEORGE CAMPBELL—That is the job that you are paid to do. You say that students should be able to purchase services that are available and, if they save \$500, they have \$500 to purchase services. Surely one of the issues is that these services are provided collectively and it is the collective contribution of all of the students that allows the university to provide services across the spectrum, which some students will use more than others. What if the services are not available and a student needs them? Where do they go to get them?

Mr Walters—That assumes that there are services which are only available on campus at the moment and that students will not continue to want to pay for those services and obtain them on campus. When I look at the AVCC's submission and the range of services—

Senator GEORGE CAMPBELL—I do not want to interrupt you, but I understood your argument to be that they would purchase a service when they needed it.

Mr Walters—If they wanted to.

Senator GEORGE CAMPBELL—Yes. What I am asking is, if a particular service is not available on campus, where do they get them from?

Mr Walters—If a service was not available on the campus then presumably if they needed it they would look elsewhere.

Senator GEORGE CAMPBELL—So, if it was a question of requiring representation over an academic issue, would they go and hire a lawyer?

Mr Walters—You are asking me to speculate about a situation which I cannot possibly foresee.

Senator GEORGE CAMPBELL—I am asking, to the best of your understanding, who would do the counselling services if the students union was not doing them.

Mr Walters—You are asking me to speculate on what people might do if an existing service were not available. One would assume that, if there were a demand for that service and people were prepared to pay, then some other means would arise in which that could become available—for example, students in one sense are no different from the general community in that, if we all need representation or legal services, then we have to go out and look for them. Some of us obtain subsidised legal services because we choose to join an association of some sort. We might choose to join a residents association, a trade union or a staff association. Others will choose not to. Students will be in the same position as everybody else.

Senator GEORGE CAMPBELL—And the government provides legal aid for people who are not in a position to fund themselves.

Mr Walters—In some cases.

Senator GEORGE CAMPBELL—But if those collective services are not there—

Mr Walters—Obviously if a service no longer exists people will not be able to use it.

Senator GEORGE CAMPBELL—Exactly. So they will have to look for some alternative.

Mr Walters—Presumably.

Senator GEORGE CAMPBELL—You are not aware of any existing alternative that provides counselling services to students other than the student representative organisations?

Mr Walters—If the existing services no longer existed, I imagine there would be a lot of people looking at how such a service might be provided. It would certainly provide a commercial opportunity. There appears to be a thriving legal community in Canberra. If people in this city were not able to obtain legal advice on campus, I would be very surprised if some in the legal community did not look for ways to offer that service. I cannot speak for the legal profession, but that would be my surmise.

CHAIR—I am sure you would have seen from the evidence so far that neither the university administration nor most of the student associations were able to give us a definitive view of what would or would not exist if they suffered a loss in funding. As you previously remarked, it is probably difficult to speculate on the future scenario.

Mr Walters—I have to agree with that.

Senator GEORGE CAMPBELL—Chair, are you answering the question for Mr Walters?

CHAIR—No, I am simply pointing out what he may not have read under the existing evidence.

Senator GEORGE CAMPBELL—It would appear to me that you were putting your interpretation upon what the answer should be. I must say you gave a better answer than Mr Walters did, but that is beside the point.

Mr Walters—I will work on it, Senator.

Senator GEORGE CAMPBELL—In your submission, under the heading ‘The new fairness requirements’, should I understand that the second dot point on page 110 of the book of submissions is the provision that prohibits the collection of a compulsory fee?

Mr Manns—There are two legs to the prohibition on the charging of fees. One of them relates to the third dot point, which is about services of a non-academic nature. The other one is broader. It relates to not being required to join an association, but typically there is a fee associated with that. Implied in that is the noncharging of fees, but the words in the act are more specifically about charging for services of a non-academic nature.

Senator GEORGE CAMPBELL—Which one of the three dot points is the one that prohibits the payment of the fees?

Mr Manns—In practice, students are typically required to pay a fee to join an association. By implication, the second dot point deals with—

Senator GEORGE CAMPBELL—But they are not required to join. There are conscientious objection provisions. They are not required to join the organisation, but they are required to pay the fee.

Mr Manns—In a strict sense the second dot point that you refer to is a prohibition on requiring a student to join, regardless of whether or not a fee is paid. I am simply saying that, in practice, typically joining involves the charging of a fee. The third dot point relates to the provisions in the bill that prohibit a charge of any kind for a service that is not of an academic nature. So there are two legs in the bill.

Senator GEORGE CAMPBELL—So there will be a legal restriction upon the university from collecting up-front fees for service provision? Is that right?

Mr Manns—I would have to clarify what you mean by ‘a legal restriction’. It is important to recognise that this bill does not purport to regulate the behaviour of universities as such. What it does is to attach conditions to the Commonwealth’s grants. It does not seek to outlaw a certain activity. It says that, if you indulge in that activity, that will have consequences for your Commonwealth grant. I think it is important to make that subtle distinction.

Senator GEORGE CAMPBELL—It is a very fine definition. ‘We are not seeking to outlaw an activity but we will penalise you if you engage in it.’ Is that what you are saying?

Mr Manns—It will have consequences for the funding that the university receives.

Senator GEORGE CAMPBELL—So the university will be penalised if it engages in the activity?

Mr Manns—It is a penalty in the sense of a reduction in a grant; it is not a penalty in the sense of a fine or the normal notion of a criminal penalty.

Senator GEORGE CAMPBELL—It is a monetary penalty. Obviously there is an action.

Mr Manns—It is a penalty in relation to the grant arrangements.

Senator GEORGE CAMPBELL—It is a monetary penalty on them if they do not comply. Would that monetary penalty apply if students voluntarily paid the money to the university?

Mr Manns—No, the provisions are about requiring a student or person to do certain things. As the name of the bill implies, it is about the notion of compulsion. If a university makes a service available on a pay-as-you-go basis—for example, sets up a shop and says, ‘Anyone who comes can buy a service from this shop’—this bill does not affect that sort of operation.

Senator GEORGE CAMPBELL—It would not prevent the university from collecting fees on behalf of the student unions provided the person voluntarily paid the fees?

Mr Manns—Yes, that is right. There is nothing to stop the university from being the agent for another body. The provision is quite clear: they cannot require it of a person. This is what the whole issue is about. The bill is designed to overcome the compulsory nature. As I said earlier, it is not seeking to outlaw certain activities or behaviours. If people engage in those voluntarily, and there is no sense in which they are made a condition of enrolment with the institution or matters like that, the bill is silent on that matter.

Senator GEORGE CAMPBELL—So we can take it that, provided there is no compulsion on the person to pay it, the university can become the agent on behalf of the student bodies to collect the money if it is on a voluntary basis?

Mr Manns—In the terms of this bill, yes. I am not saying there might not be some other provision in the universities’ own act.

Senator GEORGE CAMPBELL—I am not asking you to second-guess what is in the minister’s brain.

Mr Manns—As Mr Walters said earlier, the principles behind this bill are about freedom of association and freedom of choice.

Senator GEORGE CAMPBELL—We have heard that all week.

Mr Manns—If people exercise those choices, that is fine; it is the element of compulsion that the bill seeks to overcome.

Senator GEORGE CAMPBELL—Why do you think that the only evidence we received all week in respect of this matter that supported the government's position was from the Young Liberals students federation?

CHAIR—Senator Campbell, I must correct you: it is the Australian Liberal Students Federation. It is not the Young Liberals.

Senator GEORGE CAMPBELL—Sorry. From the Australian Liberal Students Federation and from an associated body in Armidale.

Mr Walters—I do not think we could comment at all on who provides evidence to Senate committees. But I would draw your attention to the minister's second reading speech, in which he draws attention to letters that he has received from students who have said: 'Look, I haven't got very much money. I have made a sacrifice in order to study'—I think he quotes the case of a single parent with a couple of children, studying for a nursing qualification—'yet I have to pay this money up front for services I do not want, to subsidise other people who do want to do these things.' That is very much the kind of representation which I think the minister has in mind and which the government has in mind in advancing this policy.

Senator GEORGE CAMPBELL—If those were strongly held views, why didn't those individuals come forward and give evidence to this inquiry?

Mr Walters—I think we are talking about ordinary members of the public who write to the minister. They are not necessarily the sorts of people—

Senator GEORGE CAMPBELL—Ordinary members of the public quite often appear before Senate committees.

Mr Walters—As I say, I think I am stepping way outside my remit or role in commenting on who might and might not come, but I do point to the minister's second reading speech and the correspondence which he quotes, because I think they are quite clearly issues and representations he has in mind in putting this policy before the parliament.

Senator GEORGE CAMPBELL—The organisation that represent the student unions and guilds across the country, ACUMA, in their submission indicate:

The estimated total value of outstanding loans by campus service organisations is greater than \$50 million.

The loans that are out at the moment are for a variety of infrastructure and other activities or undertakings. They go on to say:

... ACUMA notes that the Government has failed to consult this industry about the possible structural impact of such a massive change if the current Bill were to become legislation.

Given that circumstance, why didn't the government consult with an organisation like ACUMA?

Mr Walters—As you know, Senator, we do not answer for the way in which ministers choose to conduct their policy development. The only point I would make here is that this legislation is the successor of a bill that was first introduced into the parliament I think as long ago as 1999. So the government's intentions have been signalled for a very long time and this matter has been in the public domain for a very long time, and therefore people have had quite

a long opportunity to put their views forward. I have only recently come into this position, but I have been following this debate from the sidelines for a very long time and it does appear to me that many of the issues which have been ventilated during this inquiry have been out there in the public domain for a long time. So it would be a bit difficult to argue that people have been taken by surprise by this development.

Senator GEORGE CAMPBELL—But it would be normal practice to talk to stakeholders in an industry about potential consequences of any legislation that was being proposed to be introduced. That is fairly common practice in this building, Mr Walters, as you would well know.

Mr Walters—I suppose over 35 years in the Public Service I have seen policy developed in just about every conceivable fashion, so I would not care to comment on what is normal and what is not. I simply say that over the number of years that this bill and its predecessors have been before the parliament there has been a very widespread public debate about the pros and cons.

Senator GEORGE CAMPBELL—Why do you think—

CHAIR—Senator Campbell, as I have indicated in my opening remarks every day, this is the third attempt by the government to have this policy recognised in universities in the space of six years.

Senator GEORGE CAMPBELL—So what?

CHAIR—So the fact that it has been in the process of being developed as policy could not have come as a surprise to anybody.

Senator GEORGE CAMPBELL—So what? What has that got to do with the question?

CHAIR—I think it has everything to do with the question—

Senator GEORGE CAMPBELL—I do not think it has anything to do with the question. This is a bill that is currently before the parliament, that this committee is inquiring into. Mr Walters, given that the government did not consult the stakeholders, why do think it consulted with the Australian Liberal Students Federation?

Mr Walters—As I say, I do not really think it is for us to answer who the ministers choose to consult or talk to and who they do not choose to consult or talk to, part of which is dependent on who comes and requests to talk to them. It is not really a matter for officials.

Senator GEORGE CAMPBELL—Point 3 of the submission from ACUMA outlines international comparisons. What is your understanding of the position of OECD countries with respect to service fees?

Mr Walters—We have not done any research on that issue.

Senator GEORGE CAMPBELL—Can you take that on notice and provide us with what the circumstances are in the OECD countries? The information here relates to Canada, the US and the UK, but I would like to know what the other OECD countries do.

Mr Walters—That is quite a big exercise. Of course we are at the disposal of the committee but there are 30 or 40 OECD countries, including Mexico. I wonder whether you might be willing to narrow it down a bit. It would lessen the burden on the department. We

would be only too glad to help, of course. The only sure way to find that out would be to write to the OECD and ask them to make inquiries on our behalf, which would take a bit of time.

Senator GEORGE CAMPBELL—We will put a question on notice to you and outline the countries.

Mr Walters—Could you narrow it down a bit?

Senator GEORGE CAMPBELL—I think the original 26 may be a sufficient basis for us.

Mr Walters—Could we see the question on notice? The narrower it is, probably, the quicker the response.

Senator GEORGE CAMPBELL—The report is due on 9 August. Did the department do any analysis of the likely impact of this legislation on the capacity of Australian universities to continue to attract international students?

Mr Walters—No.

Senator GEORGE CAMPBELL—Was any research done in respect of any of the impacts of this legislation?

Mr Walters—On overseas students?

Senator GEORGE CAMPBELL—No, on the industry generally.

Mr Walters—As I mentioned, the legislation is the successor to bills that have been before the parliament for a number of years and which have been based on the principal view that services of a non-academic nature should be paid for by students on a voluntary rather than a compulsory basis. Therefore, it has been that view of the principle that has driven this. We have not done a detailed analysis of the impact on existing providers of services if there were an unknown change in the pattern of demand by students.

Senator FIFIELD—We heard evidence this morning from the President of the Australian National University Students Association that there was more rigorous scrutiny of the finances of their student association and student associations in general than there are of the Commonwealth's finances. Your report says:

Most student organisations do not make annual reports or financial statements publicly available on their web sites.

Do you think the Commonwealth's finances are less transparent and less subject to scrutiny than that of student unions and associations?

Mr Walters—Volume 4 of my autobiography will be about the scrutiny of Commonwealth finances. It is enormous and detailed. During my lifetime in the Public Service, it has got ever more detailed and more rigorous, which is entirely right and appropriate because parliament has to scrutinise the Commonwealth's finances. I cannot answer for the scrutiny of student body finances—that is a matter for their own governing arrangements and the universities concerned—but I hope that they are subject to good scrutiny. I am sure there are plenty of people with goodwill in the system that would try to make sure that that is the case.

Senator FIFIELD—Very good. From your submission, it would appear that in publicly available places such as web sites there is not a great deal of information about the financial affairs of associations and unions.

Mr Walters—We could not locate a great deal, and we have tried to put what we could find, or a flavour of the main things we have found, in the submission for the information of the committee. If we were looking in the wrong place I will apologise to the student bodies concerned, but we did try.

Senator FIFIELD—I would like to get some quick facts on the record, given the number of statements that have been made over the last few days. Just to confirm: the legislation as proposed does not ban fees being voluntarily paid by students to universities, guilds or unions.

Mr Walters—That is correct.

Senator FIFIELD—It in no way bans student unions, associations or guilds?

Mr Walters—That is correct.

Senator FIFIELD—It in no way seeks to change the structure of student organisations, associations, guilds or unions?

Mr Walters—Not other than the method by which they are funded, if that happens to be through a compulsory levy or fee at the moment.

Senator FIFIELD—But it does not in any way seek to alter the range of activities that those unions, associations and guilds provide?

Mr Walters—No.

Senator FIFIELD—And it in no way alters who can act as an agent for the collection of voluntary fees?

Mr Walters—No.

Senator FIFIELD—I just wanted to get some of those points confirmed. Obviously the penalty provisions in the act come into effect only if the law is breached.

Mr Walters—Yes.

Senator FIFIELD—You would not expect, from your professional experience, that universities would breach the law in relation to these matters?

Mr Walters—That is a judgment for them to make. They are the conditions placed on the Commonwealth grant. There are a number of different forms of funding which flow from the Commonwealth and from other bodies, such as state governments, to the universities. It is for the universities and their governing councils to decide whether they wish to accept the funding on the basis on which it is offered or, if there are penalty clauses for any particular area, whether they would rather incur the penalty and go that way. That is their choice.

Senator FIFIELD—In relation to the fines, if a university did compulsorily collect a fee from a student, as long as the university refunded that money within 28 days there is no reason for the fine not taking effect, is there?

Mr Walters—That is right, except that there are different circumstances if they persist with trying to make people compulsorily join the union. Certainly the case of accidentally collecting a fee falls into the category where there is an opportunity to put it right before the fine is imposed.

Senator FIFIELD—So if there is some inadvertent infringement of the act, there is the provision there for that money to be refunded, with no financial penalty for the institution concerned?

Mr Walters—That is right.

Senator FIFIELD—Thank you.

CHAIR—Is there any prohibition on universities increasing their fees in order to fund student services and amenities in the event of unions or other bodies going into liquidation?

Mr Manns—I have to clarify what you mean by ‘fee’, I suppose.

CHAIR—Yes.

Mr Manns—There are arrangements in relation to what we call ‘student contributions’, which in the old world we referred to as HECS. We would not consider that a university would be able to effectively charge the student through another route, if you like, through student contributions, because that would run foul of these provisions. The same would apply if they sought to bundle it into a fee for a fee-paying student. It would still amount to charging the student for the services of a non-academic nature. So it would run foul of these provisions.

CHAIR—But you would expect that that would be made transparent by the university in terms of what they were charging for?

Mr Manns—Ideally, yes. If it were not, and if a student complained that they had in fact been charged compulsorily an amount of money that was to be used for a purpose that was of a non-academic nature, then obviously we would take that up with the university if the student approached us.

CHAIR—If a university wished to come in and underpin some of the student services, do you know of any identifiable pot of money that exists at the moment that they would be able to use for that?

Mr Manns—Yes, there would be. The universities would certainly be free to use any of the revenue they obtain from non-government sources. If they are in the business of getting bequests, state government grants—if they are not tied—or earning money from commercial operations, there is nothing to stop them using those funds to provide services for students, assuming of course there are no prohibitions in their own acts. But we will put that to one side.

As you know, we fund universities’ general operations through the Commonwealth Grant Scheme. The universities are required to deliver a certain number of student places for that funding, but there is no explicit prohibition or prescription on how they might go about that. If they choose to support in certain ways their students who are in those places, again, they could do that. This bill is about not charging students.

CHAIR—We understand that.

Mr Manns—That is the primary thing. There are, of course, other grants that are provided by the Commonwealth which are for specific purposes—for projects or so on.

CHAIR—Yes, I did follow that in your submission.

Mr Manns—They are typically tied to the delivery of those, so cannot be used for other purposes.

Mr Walters—I might just add to that. This bill is about not charging students compulsory fees.

CHAIR—Yes, I understand that. It is quite definitive.

Mr Walters—Universities are perfectly at liberty to charge voluntary fees for things that people want to sign up to, and continue to do that.

CHAIR—Thank you very much for your appearance today.

Committee adjourned at 2.11 pm