

VOLUNTARY STUDENT UNIONISM

In December 1998 the Minister for Education, Training and Youth Affairs, Dr David Kemp, announced plans to introduce legislation to abolish compulsory membership of student organisations in Australian universities and the requirement to pay annual student fees (sometimes misleadingly referred to as student union fees). This paper has been prepared to brief members of Council and the Academic Senate on issues related to voluntary student unionism, and the possible implications for the University of Tasmania in the event of such legislation being passed by the Commonwealth Parliament.

1. Student Services and Amenities Fee

The University of Tasmania, like universities in the other states except for WA, requires all students to pay an annual Student Services and Amenities (S&A) Fee. Fee arrangements are governed by the Ordinance of the Student Services and Amenities Fees and Affiliate Student Associations. In summary, commencing students are required to pay an entrance fee and all students are required to pay an annual services and amenities fee (\$51 and \$208 respectively in 1999). Fee levels are determined from time to time by University Council.

Student Services and Amenities Fees are collected by the University Administration during the enrolment period and are provided to the student associations. Fees collected are earmarked for particular purposes - 17.5% is directed to the student representative council and 82.5% to the management committee of the relevant student association. The Ordinance provides for a student to direct the entire fee to the management committee, if he or she elects not to be a member of the student association, and for a student to be exempted from payment of the fee in exceptional circumstances.

2. The TUU Inc and the SA Inc

There are two student representative bodies in the University: the Tasmanian University Union Inc (TUU) on the Hobart campus and the Student Association Inc (SA) in Launceston. These associations provide a range of advocacy, representational and other services for undergraduate students, and for postgraduate students through affiliated postgraduate student bodies (TUPA in Hobart and PANT in Launceston). The organisational arrangements of the student associations are governed by constitutions approved by the University Council.

The student representative councils represent the student body as a whole and fees received under the formula above are applied to promote the interests of students in welfare, education, and other issues and to encourage and assist clubs, societies and sporting teams. The associations elect a president each year as well as office bearers in areas such as education, welfare, environment and activities to develop and conduct relevant programs and services for students. Members of the student councils represent

students on University committees that deal with academic and course matters and student welfare issues, and also in dealings with bodies external to the University.

The TUU and SA operate a range of commercial activities and facilities that are managed by a management committee. The management committees, which oversee the provision of services funded from the 82.5% share of student fees, are chaired by nominees of the University Council and include non-student members with human and financial resource management expertise, as well as student representative council members. The committees act as the employers of staff working in the commercial enterprises and control the trading activities and facilities of the associations including cafeteria/restaurants; shops and service centres. The student associations provide annual reports to the University Council, including audited financial statements.

The student associations provide a range of other services for students. The University's Student Safety Net Grant scheme is essentially operated through the student associations. The TUU manages an off-campus housing scheme that accommodates about 350 students in furnished share houses and flats. The TUU and SA also provide assistance to students seeking accommodation in the private rental market through an introduction service. From time to time the student associations contribute directly to amenities and facilities on the two campuses and the NW Centre. Recent examples include the Student Association contribution of \$100,000 to help build tennis/netball courts and an earmarked sum of M\$1 for the development of sport and recreation facilities on the Launceston campus.

In 1997 S&A fee income for the TUU and SA respectively were about M\$1.4 and \$700,000. At the end of 1997 the net asset position of the two bodies was about M\$.47 and M\$3.1 respectively.

3. Voluntary student unionism (VSU)

Precise details of the Commonwealth's VSU intentions are not known at this stage, however Minister Kemp's pre-Christmas press release (a copy of which is attached as Appendix 1) highlighted an intention to legislate for non-compulsory membership of student organisations with all students being able to elect whether or not to pay student fees. The legislation will also apparently provide for universities to levy student fees for services directly related to education services.

Two states in Australia introduced VSU legislation a few years ago in Western Australia and Victoria. It is understood that Minister Kemp favours the more restrictive VSU model adopted by the Western Australian Government.

The Victorian model provides for students to elect not to be a member of a student organisation. Compulsory student fees apply but the legislation prescribes how fee income can be used. Fees must be directed to specified student services, facilities and activities (which are broadly defined and

include catering, welfare, sports and some recreational purposes) but not for student political purposes.

The Western Australian legislation also provides for students to elect not to be a member of a student organisation. Further, it prevents universities charging compulsory guild fees or a replacement student amenities fee which is not directly related to a course of study. Expenditure is prohibited on catering, welfare, sport, recreation and cultural activities.

A summary of the VSU legislation of these two states, prepared under the auspices of the AV-CC, is attached as Appendix 2.

4. Developments in Victoria and WA since VSU

The impact of VSU has been markedly different in Victoria and WA at this stage, reflecting the different models adopted in each state. The more benign approach in Victoria has meant that the student associations have been largely unaffected. Interpretation of the relevant Act is left with individual universities; universities have continued to collect compulsory fees which have remained at about the pre-VSU level; and fees are distributed to the associations (less collection and other administrative costs) on an annual, reviewable basis.

The effects of VSU in WA have been dramatic. Voluntary membership of associations in some cases has dropped to 20% or less of the student body (even with fees set at a level about a quarter of the situation in Tasmania); fee collection is the responsibility of the relevant association; non-commercially oriented services to students have been reduced (some eliminated) at the expense of profitable ventures, with dual pricing a feature. Student association welfare services are generally restricted to some representation, grievance and insurance activities.

The location and particular circumstances of individual student bodies in WA have affected their ability to adjust to VSU. For example the student association at Edith Cowan (with few commercial activities and trading operations) has experienced severe financial problems whilst that at Curtin (better placed with a range of commercial and trading activities and a more fully developed relationship with the university) has maintained a financially viable operation (albeit at the cost of provision of some welfare and non-profit oriented services to students).

5. The current approach at the University of Tasmania

Following concerns raised by the then State Liberal Government, the University of Tasmania introduced changes to its student fee arrangements in 1995. These arrangements, which currently apply, are outlined in 1. above. They provide for:

- a compulsory fee with a prescribed and limited amount going to the student representative council

- students to elect whether or not to be a member of the student body
- if they choose not to be a member, direction of the entire fee to the management committee of the association.

The then State Liberal Government was satisfied with the University's approach and decided against introduction of VSU legislation, and the Tasmanian situation has been viewed as a balanced response to the competing issues at stake.

The TUU and SA have raised concerns in recent years about the increasing number of students not paying S&A fees, or delaying payment for a considerable period of time. In 1998 over 2,600 students (or more than 30% of the student body) had not paid their fees by the beginning of second semester. Comparable figures for the same period of time were 1,896 and 951 students respectively in 1997 and 1996.

This situation has developed following changes made in 1994 to the Ordinance of Student Services and Amenities Fees and Affiliate Student Associations which restricted the sanctions the University could apply to students not paying fees: to non approval of re-enrolment or non conferral of an award (i.e. graduation) after they had completed a course. Before these changes previous sanctions included non-provision of exam results. [The University's options to act on non-paying students have been limited because enforcing the non enrolment option would have meant the University would not meet its enrolment targets if student enrolment status wasn't confirmed by the HECS census date. Considerable and costly effort has been directed at compliance measures essentially based on reminders.]

In response to this situation Council agreed at its November 1998 meeting to include as an additional sanction for non-payment of fees the withholding of examination results. [Information provided to Council on this matter is attached as Appendix 3.] The TUU and the SA have requested that consideration be given to other mechanisms aimed at increasing student compliance with fee requirements.

6. Australian Vice-Chancellor's Committee (AVCC)

A copy of the AVCC's policy paper on student organisations is attached as Appendix 4. The AV-CC supports universal membership of student associations and is strongly opposed to VSU. It has expressed concern about the negative effect a move to VSU would have on the quality of student life. Student associations have traditionally and in most cases effectively operated a range of services for students. Reductions to the funding base of student organisations likely to result from VSU would threaten their ability to provide essential services currently made available to all students.

7. Possible implications for the University of Tasmania

In the event of introduction of national VSU legislation along the lines of the WA model the ability of universities to subsidise services (totally or partially)

currently provided by student bodies through the mechanism of the compulsory services and amenities fee would vary from institution to institution. However, all universities will increasingly be constrained under the circumstances of reducing levels of Commonwealth operating grants. (For example, Federal Government funding to universities is projected to fall by almost M\$500 in the 1999-2001 triennium, notwithstanding significant budget cuts previously implemented from 1996.) The current S&A fee mechanism provides an equitable basis for the provision of services and amenities to all students. There appears to be no other way to finance the provision of these services, without this mechanism or the prospect of replacement government funding, apart from a direct levy of all students by the University. The ability of the University to do this would be dependent on legislative provision and conditions.

As the sole university in the State the University of Tasmania faces particular challenges which would be exacerbated by VSU. The student associations have directly supported many of the University's initiatives directed at disadvantaged students (who comprise a significant proportion of the student enrolment profile). The University's ability to provide the current range of programs for students at the two campuses and the NW Centre would be tested in the extreme if related student support services and facilities were curtailed or eliminated. [Restricted access in Tasmania to related government and community-based support agencies and services, compared with metropolitan universities interstate, is an important consideration in this context.]

The Student Association at Launceston recently investigated the possible implications of VSU on its operations and services. While the nature of the projections and the estimates they are based on are somewhat conjectural, their findings nevertheless warrant consideration. Their findings were:

- Even a small reduction in student membership and the resultant loss of student services and amenities fees income would have a marked effect on the SA's ability to provide the current range of services;
- Some of the cafeteria, bar, and other commercial services might be continued, a dual pricing system would have disadvantages but would need serious consideration, and prices would need to rise;
- A range of important, but not commercially-based, services could not be continued;
- the SA could not continue to contribute to the development of further services and amenities on the Launceston and NW campuses.

The TUU has conducted similar VSU analyses with predictions of fee income reductions of up to 90%, the need for a comprehensive review of current services leading to rationalisation, and marked reductions to staffing, administration and research infrastructure.

In general terms the (prospect of the) introduction of national VSU legislation would require a fundamental review of the University's relationships with the TUU and the SA, the relationship between the two bodies themselves, and options and priorities for the future delivery of student services. [Related issues concerning the provision of student services were canvassed in briefing papers provided to Council members at the September 1998 Planning Conference.]

8. National Competition Policy

A separate but related issue likely to affect the activities of the student associations is national competition policy. An AV-CC working group is currently developing proposals for a sector-wide approach to implement pricing policies based on competition principles agreed by MCEETYA.

For the purposes of national competition policy requirements and MCEETYA's competition principles, services provided by student associations are likely to be seen, according to advice provided to the AV-CC, as activities that compete in a wider market place but are instrumental to achieving the objectives of the higher education program (eg catering, bookshops, and conferences). These should be structurally separate and subject to pricing principles to achieve transparency. While these activities should not be required to make a fully commercial return on resources, any concessions that a university allows must be directed to those services offered within the university.

The AVCC's working group has been asked to consider possible implications of national competition pricing policy for the role of student organisations. Council's Finance Committee might usefully consider these general issues, and any advice from the AVCC's working party, in the general context of its current review of University Business Enterprises (UBE's) and the possibility, in the event of VSU legislation, of a greater degree of University involvement in or decision-making about commercial services and activities currently conducted by the TUU and SA.

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