



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON EDUCATION, EMPLOYMENT AND
WORKPLACE RELATIONS

**Reference: Higher Education Legislation Amendment (Student Services and
Amenities, and Other Measures) Bill 2009**

WEDNESDAY, 4 MARCH 2009

MELBOURNE

BY AUTHORITY OF THE SENATE

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

<http://www.aph.gov.au/hansard>

To search the parliamentary database, go to:

<http://parlinfoweb.aph.gov.au>

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

Wednesday, 4 March 2009

Members: Senator Marshall (Chair), Senator Humphries (Deputy Chair), and Senators Arbib, Cash, Collins, Crossin, Fisher and Siewert

Participating members: Senators Abetz, Adams, Barnett, Bernardi, Bilyk, Birmingham, Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Colbeck, Coonan, Cormann, Eggleston, Farrell, Feeney, Fielding, Fierravanti-Wells, Fifield, Forshaw, Furner, Hanson-Young, Heffernan, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Macdonald, Mason, McEwen, McGauran, McLucas, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Crossin, Hanson-Young, Marshall, Mason, Ryan

Terms of reference for the inquiry:

To inquire into and report on: Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009

WITNESSES

BARROW, Mr David, President, National Union of Students	15
CHOO, Mr Mark, Communication Executive, National Liaison Committee for International Students.....	43
HASTINGS, Mr Graham Nicholas, Research Co-ordinator, National Union of Students	15
HINCHY, Ms Stefanie Cait, Education Officer, National Union of Students	15
HODKINSON, Mr Byron, President Australian Liberal Students Federation.....	76
KNAPP, Mr Donald Morgan, Chief Executive Officer, Australian University Sport	2
MANNS, Mr Rod, Branch Manager, Funding and Student Support Branch, Department of Education, Employment and Workplace Relations	85
O’SULLIVAN, Mr Tom, Vice President, Australasian Campus Union Managers Association.....	2
PALMER, Mr Nigel, National President, Council of Australian Postgraduate Associations	31
RILEY, Mr Benjamin John, Undergraduate Senate Representative, University of Queensland, and previous Treasurer, University of Queensland Union.....	54
VANDERMARK, Ms Catherine, Branch Manager, Higher Education Quality Branch, Department of Education, Employment and Workplace Relations	85
WHITE, Ms Linda, Branch Manager, Higher Skills Branch, Department of Education, Employment and Workplace Relations.....	85
YOUNG, Mr Joshua Michael, Immediate Past President, University of Queensland Union, and State President, National Union of Students, Queensland.....	54

Committee met at 9.29 am

CHAIR (Senator Marshall)—I declare open this public hearing of the inquiry into the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009. The bill was referred to the Senate Standing Committee on Education, Employment and Workplace Relations on 12 February 2009, for inquiry and report by 10 March 2009. The purpose of the bill is, among other things, to implement the government's policy with regard to establishing an assured funding base for student services and amenities in universities. This is to be done by amending the Higher Education Support Act 2003. Since amendments made to that act in 2005 which ended compulsory student levies, the loss of revenue has resulted in student amenities falling below what is required and has placed additional burdens on university budgets. This bill will allow universities to impose service levies and will allow students to borrow funds to meet this additional cost.

Before the committee starts taking evidence, I advise that all witnesses appearing before the committee are protected by parliamentary privilege with respect to their evidence. 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. Witnesses may request that part or all of their evidence is heard in private. I also remind witnesses that giving false or misleading evidence to committees may constitute a contempt of the Senate.

[9.30 am]

KNAPP, Mr Donald Morgan, Chief Executive Officer, Australian University Sport

O'SULLIVAN, Mr Tom, Vice President, Australasian Campus Union Managers Association

CHAIR—Welcome. We have received your submission. I invite you to make some opening remarks to the committee, to be followed by questions.

Mr O'Sullivan—Thank you. Australian University Sport and Australasian Campus Union Managers Association welcome the government's proposed legislation and in particular note some of the characteristics of the proposed amendments that we think are quite positive. The capping of the fees, the deferability characteristic of the fees and, within the guidelines, the defined uses for the fees we think are quite sensible amendments to the current circumstances for our sector.

I make particular reference—as we did in our submission—to the fact that in 2007 ACUMA and AUS undertook a quite detailed impact study into the effects of voluntary student unionism post the 2005 legislation. That showed up a range of negative consequences from the legislation. Around 1,000 jobs were lost in the sector, there was contraction of services across the country at the student service organisations, there was less participation in both sporting and recreational clubs and social and cultural clubs and, in particular, there was a virtual hold put on any capital development. In our organisations, the necessity for refurbishment and rejuvenation of our facilities, both for sport and rec purposes and for social and cultural activities, is a given and a necessity over the longer term. That large issue has continued to loom in the couple of years since the legislation in 2005.

Having said that, I think that leads to another fairly clear point from our perspective, which is that the longer the current circumstances continue, the worse it will get for our members in the respective sectors. In particular again, the capital issues will compound and be greater over time than they currently are. Most importantly, since 2005, in many instances, there has been some presence of university support for the pre-existing service organisations. In most cases, that university support is sunsetted over a period of time or declining in quantum over a period of time. I think, given the current circumstances in terms of the general economic environment for universities, there is some pressure on their own expenses and, regardless of that pressure and their capacity to continue to support our organisations, any amount of money they have been transferring to our organisations has been at the expense of their core purposes of teaching, learning and research, which I think is an unfortunate outcome.

As I mentioned, we believe there will be further deterioration in the sector over time without the implementation of the amendments as proposed by the government. At a broader level, beyond the specific programs and the facilities we offer on services, our submission referred to a couple of other more general items. Firstly, we believe that the programs and activities in which students engage add to the educational experience and create a fuller and rounder university experience for students, which in turn adds to their graduate employment skills. There have been

various investigations into the priority of various skills for employers. Naturally one of the foundations is the academic qualification, but, importantly, employers look for other skills that can be developed in extracurricular activities, such as leadership, networking, cultural sensitivities, presentation and coordination and project skills and those types of attributes, which employers find very important as well as the academic qualifications.

Another characteristic in our sector, and which we all believe is important, particularly relates to the regional members of our organisations and that is the community use of facilities. I mentioned before about the hold on capital development and the consequent deterioration of those sorts of facilities. That, in turn, affects not only the students at the particular university but can also have ramifications for other social and sporting groups from the communities that use those facilities.

In summary, as I said at the start, we support and welcome the legislation and the general characteristics of the model in our submission. There are some details within the legislation which we would seek further clarification on, but broadly stated we believe that the proposed amendments are timely and will address and prevent further deterioration in the sector, which ultimately is a deleterious outcome for the total university experience for Australian and international students.

CHAIR—Thank you. Mr Knapp, do you have some opening remarks?

Mr Knapp—I echo all of Mr O’Sullivan’s opening statement. Well done. We have very clear evidence that there was about a 40 per cent reduction in club funding on campuses in 2007 which led to a 17 per cent reduction in participation in club sport. Unfortunately, it looks as if the greatest impact on participation was that it negatively affected female participation. We have seen quantifiable drops in women’s participation in national events and in on-campus sport, which may indicate that when pressure is on the system the first programs to go tend to be female rather than male, which is a very unfortunate development in today’s society.

At a time when the Australian Sports Commission is trying to find ways of eking greater return out of a national sports program that is struggling for funding, in the Australian University Sport’s submission to the Crawford review we certainly made the case that in Australia we probably are not getting as much out of the university sports system as a contributor to the National Sports Program. Having said that, at the 2008 Olympic games 220 of the Australian athletes were university students either currently enrolled or recently graduated—50 of whom were internationals. That compares with Atlanta where about 25 per cent of the team were university students. So increasingly university students and the university system are contributing to the athlete base but what is happening on campus is not particularly making any great contribution. In competing countries such as the US, the collegiate system probably produces 90 per cent of their Olympic team. In the UK it would be 75 per cent, and in the Asian countries it would also be 75 per cent. Clearly, if university sport is going to make a greater contribution to our National Sports Program, which the Crawford review and the Australian Sports Commission acknowledge is falling behind, we need more funding on campus for campus support.

One of the more successful programs out of the VSU legislation was the Regional Universities Sports Funding Program. It has helped regionals hang in there in terms of sport coordination and

delivery of services. However, that fund terminates at the end of 2010. My belief is that that fund should continue beyond 2010. It has employed some 32 sport coordinators across campuses, mainly regionals, throughout Australia. A combination of no services, an amenities fee and a termination of the Regional University Sports Funding Program leaves university sport, in my view, in a very perilous position into the future. Add on top of that the global economic downturn and reduced earnings from endowment trusts—funds that often support alternative activities or sport activities or student services that cannot otherwise be afforded. I cannot emphasise how badly we feel at Australian University Sport that this fee is essential.

Senator RYAN—I am struck by a couple of parts of the submission. You point out that there has been a reduction in the number of students in sporting clubs from 72,000 to 60,000. It strikes me that 72,000 is not a very high number given the number of university students who are potential members. I was one myself, albeit a very bad participant in university sport. I put it to you that hitting every student for \$250 to increase the participation by 12,000 students, which is what the marginal return would be, is a rather extreme way to go about addressing what you are putting is a problem in participation in university sport. As a starting point, 72,000 seems to be remarkably low and you are saying that we should hit every student up to \$250 just to increase that from 60,000 to 72,000 again.

Mr Knapp—The base number of 72,000 pre VSU refers to club participation only; it does not refer to recreational activities, the gym, the fitness club, the swimmers and so forth. We feel it is a fairly accurate estimation that there are more like 150,000 regular university sport and recreation users. When we refer to club sport we are talking about team sports only. No, it is not a great number. As we know, nationally the biggest drop out rate in sport is the 18- to 22-year-olds. I met with Swimming Australia a few weeks ago because we are looking at putting in some inter-Varsity type competitions and we are pretty excited about that possibility. They have 20,000 under-18 competitive swimmers nationally. When they get to the 18-plus age group it drops down to 2,000. So if we are looking at 700,000 or 800,000 full-time students on campuses Australia wide, 150,000 regular sporting participants is not a bad number compared to the way national sporting organisations are going. Historically, of compulsory fees that were collected pre-VSU, sport tended to get about one-third. So if we are talking about a \$250 fee we are talking about sport getting at \$70 or \$80 of that. Without it, I hate to think what that 72,000 to 60,000 will do.

Senator RYAN—Why are you so different from local community sporting clubs that may get some sort of indirect subsidy from councils in terms of cheaper access to council ovals? It was the same for the university sporting clubs where I went; the Melbourne City Council gave us the same access to Royal Park and the Parkville ovals. Why can the Aberfeldy sporting club, why can the Ringwood football club survive but you need to ask everyone, including those who do not play, to pay up? It is the equivalent of the council out in Ringwood charging all the residents to support the local football club, isn't it?

Mr O'Sullivan—Unlike the football club we do not just provide the particular sporting service; we provide a range of services across both sets of member organisations. In ACUMA's case it is not so much the sport and recreation level—although some of our members do that—but the social and cultural programs. To go back to your previous question as well, yes that is the statistic, as Don mentioned, for the club memberships. There are other activities going on in the

health and recreational sense that expand on that number. We also have community groups using the facilities that are funded by those fees, which I think broadens it.

Senator RYAN—That brings me to another point. I want to keep the sports issue separate from the campus service student union issue. I do appreciate that and I will give you a chance on that later. But you said that even community groups are getting access to these facilities.

Mr O’Sullivan—Yes.

Senator RYAN—Do you have any information on how many graduates access the facilities? Again, I will go back to the universities that I know. I have sat on some of the boards. At Melbourne uni a graduate of any university gets concessional access to the sport and physical rec centre. It is remarkably cheaper than the neighbourhood gyms around Carlton and Parkville and it is not that much more expensive than for a student back in the pre-VSU days. Don’t you think it is slightly odd that graduates, who are usually on higher incomes, are being subsidised by a fee paid for by all students regardless of whether they use it?

Mr O’Sullivan—Many organisations have categories of membership, such as life membership or honorary members—after a certain period of contribution some of the benefits can continue for a longer term. I do not think that is abnormal in a broad range of examples.

Mr Knapp—It is an interesting issue. The cost of using sporting facilities on campuses did increase by about 15 per cent across the board with the introduction of VSU. Our numbers tell us that there are about 500,000 members of the public that use university sporting facilities each year. Graduates get a discount, although they pay more than existing students do. I would see that those graduates who grew up in an era of compulsory fees have helped build those facilities and have contributed to those facilities and their development. Without 500,000 members of the public and graduates using sporting facilities on campus they would not be sustainable. The student population would not sustain them.

Senator RYAN—So your solution to that is to slug every student, regardless of whether they choose, or are indeed able, to use these facilities.

Mr Knapp—I believe in reading, ‘riting, ‘rithmetic and running as core components of education. If we are not encouraging the 18- to 22-year-olds to exercise and participate in campus sport we are failing the 18- to 22-year-old age group. That is my belief. And, yes, there is a price to pay for that, as there is a price to pay for the science lab. The gymnasium on campus and the swimming pool on campus are as important as the science lab. Call me sick, call me twisted; that is my belief.

Senator RYAN—There is the person who is unable to participate in sport, whether that is because they are working their way through university—part of your submission refers to that—or whether they are not inclined or not good at it. Some of us who were not good did it anyway. Should they have no choice about whether they subsidise? Are you advocating that participation be made compulsory or only the subsidy?

Mr Knapp—If I had my way, absolutely. I realise that is an unwinnable argument.

Mr O'Sullivan—That said, the fact that a broader group of people can contribute to a suite of services is common across our society in many instances.

Senator RYAN—I do not know of any other sporting facilities or gyms that can actually tax all who walk past.

Mr O'Sullivan—I was not meaning to limit my comment to sporting facilities or gyms. The sporting facilities and gyms are but one of the suite of services on offer to the community.

Mr Knapp—Part of our taxes pay for major sporting stadiums right throughout the country—particularly in the state of Queensland where the state government runs major facilities. It is a common practice.

Senator RYAN—I have heard the argument that student unions represent the fourth level of government. Without getting into that, you make the point that these are subsidised by government. Surely then, if you think these facilities are important for either the common welfare or part of the Australian Sports Commission's objectives, these are facilities that should actually be funded commonly. You are supporting a poll tax to slug a very narrow group of the community to subsidise facilities that they all could not use—there is no way that every student at every university could access the facilities. They are designed around a smaller percentage than the total potential users. Is that not true?

Mr O'Sullivan—Our submission in the first round of consultations by the current government last year suggested two options: either a consideration of what has become the proposed amendments, which is a services charge or a combination of that with government grants to ensure the continuation of the services. How we see it is that we do not extract a singular activity and say that is a poll tax on everyone for that particular activity. We would prefer to approach it in the fuller education sense—a suite of services, facilities, events and activities are offered and across the broad spectrum of people who attend university some will use the fitness centre more commonly than others, some will use the social facilities, some will be very active in the club facilities, some will use spaces for meetings, study groups and those sorts of things.

Senator RYAN—We do that—

Mr O'Sullivan—The intent is a spread.

Senator RYAN—So you reject the approach that we do that in our everyday lives? I probably use sporting facilities less than Mr Knapp. I would fail two of the four tests, you said before.

Mr Knapp—Unfortunately, I no longer use them as much as I should!

Senator RYAN—But we do that in our everyday world. You may use libraries, sporting facilities or cinemas more than I do. Why is it that universities are the only places where these facilities have to be subsidised by a compulsory levy on a common pool that really does not share an interest in that facility, other than it being co-located or a priority of the university?

Mr O'Sullivan—I do not think universities are the only places, if you look at private secondary education providers. They both charge the participants and get government money for

suites of sporting facilities, and in many instances the schools outstrip what is available at universities.

Mr Knapp—I think the key is also that we do believe that the public purse, the federal government, should be helping to support capital development of sporting facilities on campus, and regional university sports funding programs should be continued. My belief is that it should be a combination of the student, the university and the government supporting sport.

Senator MASON—I agree with that, Mr Knapp. Where possible, user pays is a great idea; I think it is appropriate. I am sure Senator Ryan agrees. What do you think is more just, more appropriate? Best of all is if the user pays; I think that is the best. Assuming the user is not going to pay—because of the capital costs and so forth; the capital development is too much—do you think it is more just that students who do not use the facilities pay or that the university pays?

Mr Knapp—I think it is a shared responsibility.

Senator MASON—No; which one?

Mr Knapp—I answered the question: I think it is a shared responsibility. I think it should be a combination of—

Senator MASON—Of user pays and universities?

Mr Knapp—Yes.

Senator MASON—I agree, but not students who do not use the facilities. That is the—

Mr Knapp—I have many, many associates who do not like sport. Part of their taxes supports the Australian Sports Commission. That is the type of system of government that we run in this country. It is a \$250 million budget, and many of my associates do not go to, do not watch and do not care about sport.

Senator MASON—But you and I are agreeing. We are saying ‘user pays’—Senator Ryan has no problem with that; none of us do—or the university, which is getting public money, pays as well. That is the other component: they can pay. But why should students who do not use the facilities—indeed, some of whom are not taxpayers—pay? That is the rub. If you had to go right to the heart of it, that is the rub.

Mr Knapp—I think if we want to encourage health and wellbeing amongst 18- to 22-year-olds, there is a better chance of their using the facility if they pay than if they do not.

Senator MASON—That is another, different argument, and I am not sure that is right. Except I always—

Mr Knapp—If I am paying for something, there is a better chance I will use it than if I am not.

Senator MASON—If you want to use it, you should pay. We have no problem with that. Again, I think there is an argument that the capital costs and so on should be paid by someone—government or universities. That students who do not use it should pay as well is, I think, far more problematic, even on the arguments you have raised.

Mr Knapp—That is fine; we disagree.

Senator RYAN—Mr Knapp, are you a manager of a particular facility?

Mr Knapp—No, I am the CEO of the peak body.

Senator RYAN—What would happen tomorrow at one of our campuses—I am obviously more familiar with Melbourne—if all the students suddenly decided to come and try to use the gym or the pool, to join a footy club or an athletics club? The system would break down, wouldn't it? It is designed around not everyone using it.

Mr Knapp—You might look at some sort of radical expansion of the sporting program. That would be a wonderful outcome.

Senator RYAN—The students at Melbourne uni had O-week last week, so there is a huge uptake this week. There is no way the facilities could actually cope if all the students suddenly took your message and added running to reading, writing and arithmetic.

Mr O'Sullivan—But, if that response occurred, is it not obvious that what our organisations would do is respond to that extra demand and start to grow the facilities and grow the programs? Our organisations on campuses are adjusting their services continuously to reflect changing needs and changing demands. Today's student demographic has totally different demands to when I was an undergraduate.

Senator RYAN—I appreciate that. You mentioned earlier that some students will use the gym and some students will use the library or the study rooms. Using the Melbourne uni ski lodge as an example, I fail to see how every student should be subsidising the Mount Buller ski lodge when there is no way that every student can use it. When I last checked, a decade ago, there were a hell of a lot of graduates accessing it, and it has had an extension in the last 15 years. What is the justification for sports unions investing in facilities that clearly are unable to be used by even a substantial proportion of students?

Mr O'Sullivan—Isn't the analogy in the university itself? There would be no way that the university could cope if all, 30,000, 40,000 or 50,000 all appeared on campus at the one time, trying to attend the same time scheduled lecture.

Senator RYAN—I think a ski season of 20 weekends at Mount Buller is a bit different.

Mr O'Sullivan—I think in principle the issue that you are putting forward is the same for all facilities and programs. The Colonial Stadium or whatever it is now called cannot cope with the whole population of Melbourne wanting to go to it on one particular day. It adjusts its level of services to respond to the demand as it sits.

Senator RYAN—You mentioned the decline in female participation in sport. The subsidies for participation in university games are an internal matter for the universities and the sports unions or sports associations. Is that correct?

Mr O’Sullivan—Can you repeat that question.

Senator RYAN—You mentioned the decline in female participation in sport. The subsidies for clubs, university participation and entry for university competition are internal matters for universities and sports unions or associations to determine, aren’t they?

Mr Knapp—Yes, they are.

Senator RYAN—So you cannot draw a correlation between a decline in female participation and VSU. If there is a decline in that subsidy, that is a decision that each university or each sports association has made. Is that true?

Mr Knapp—No.

Senator RYAN—You mentioned that female sports tend to get prioritised.

Mr Knapp—I think what it reflects is that male sports under pressure get prioritised over female sports.

Senator RYAN—That is a decision for the universities; that is not a decision that the government or this legislation makes.

Mr Knapp—Unfortunately, I think it is beyond universities. I think it is a societal issue.

Senator RYAN—Okay. The point I am making is that there is someone in each university or sports union who has overseen what you describe as the prioritisation of male sport. That is not due to this legislation.

Mr Knapp—It is reasonably well researched through sports sociology that female participation requires more encouragement and greater subsidy than male participation. That is quite well documented, and I think that is what we are seeing with the sporting system that has been under pressure.

Senator RYAN—I agree. You are aware of that research, and it is your constituent bodies that have made the decision that has seen the decline in female participation in sports. When you have a pod money—it is \$900 or \$1,000—

Mr Knapp—What is your point? It is quantifiable and it is happening. I do not understand the point you are driving at.

Senator RYAN—My point is that the people who are responsible for it seem to be saying that they need more money but there is no indication that it will change the outcome.

Mr Knapp—No. There may not be an indication that it will change the outcome, but pre VSU we had a more even participation rate between males and females. So my assumption is that with the fee we have a better chance of equalising that participation.

Senator RYAN—Mr Knapp, would you support this bill if the only thing you could charge as an amenities services fee was sport and physical recreation?

Mr Knapp—If it were the only choice, perhaps. Philosophically, I believe that student services such as counselling, child-care and dental care are as important as sport. That is my personal view.

Senator RYAN—What about your organisation?

Mr Knapp—As a peak body organisation, I would be mad if I did not.

Senator HANSON-YOUNG—I want to pick up on the point that you made in your submission about the long-term capital requirements of universities. One of the concerns that has been expressed in other submissions to this package of legislation is that universities may be inclined to spend some of this money on upgrading capital as opposed to maintenance that has probably been a little undermaintained since VSU—and I would suggest for the last 12 or so years, over which time universities have been underfunded. What do you suggest is the way forward in getting the balance right and ensuring that the money is used wisely in running students services and not funnelled into bringing facilities up to scratch so that those students who do pay the \$250 get a real benefit as soon as possible?

Mr O'Sullivan—The submission refers to the fact that we see some difficulty with the \$250 covering both, as alluded to in your question, a return to the level of services pre-VSU as well as the catch-up on capital. We recognise the government has other capital funding programs in existence for the tertiary sector and we have raised with the minister the opportunity for the services and sport and recreation sector to have some access to that. When the Better Universities Renewal Fund was announced last year the minister specifically referred to a couple of categories where those expenditures should be directed. They covered both, obviously, teaching and learning facilities but also the student service facilities. Historically ACUMA members—and this was a point we made I think at the 1999 Senate inquiry—and historically university unions were spending up to half their collected fees on capital works just to maintain and/or expand the facilities with the growing populations on university campuses. In our submission we are pointing out there is an issue still there even with the \$250 fee. We think the government has some other avenues with which they can attempt to address that but at the same time, at least with \$250, it will give our member organisations the opportunities to work out themselves the balance between the expansion and return of programs and the necessity of the facilities' upgrades.

Senator HANSON-YOUNG—In terms of the way your member universities interact and whatever kind of function they exist under, do you see a concern in the legislation that none of the \$250 levy that is collected is necessarily guaranteed to go to those organisations?

Mr O'Sullivan—We think that will be an issue for negotiation at the local level with the universities. Certainly in my case at UTS that system has been in place from before the

voluntary student unionism legislation in 2005. I think it is a matter of building a relationship with the university and, I guess, in pressing upon them the importance and contribution of the extracurricular and co-curricular services provided are about in the full educational experience. Also I think that, whilst I have seen some commentary from the sector that there is that risk, if you like, in terms of what the university does with the disbursements, one of the greatest deficiencies of the previous system was the lack of responsibility and accountability in the whole process. That has been addressed to some degree by the insertion of the university's role as the collector and deciding on the disbursements of moneys. We have also suggested in our submissions and meetings with the minister that there should be a further step which would require the universities to report back to government, on an annualised basis potentially, as to what has actually occurred with those funds collected so there can be some transparency and accountability on what goes on with all that money.

Senator HANSON-YOUNG—I guess that leads to the last point in your submission, which I wanted to follow up on, and the idea of an implementation review. How do you see that would work and could you expand on that for me?

Mr O'Sullivan—The coalition government, in 2005, indicated that they would review the then legislation no earlier than 18 months. As we all now know a 2007 election came along and intervened with that. I think the current government then picked up on that sense of having a look at what was going on in the sector by the consultations it undertook in 2008. This topic has been an object of some controversy and dispute over many years. I think it is just sensible process, again after a change, we have suggested that around a couple of years be allowed for any anomalous circumstances to level out or for implementation that may be stepped in over time to have full effect and stuff like that. Then the government would be wise to relook at the whole system to see what have been positive outcomes and see if there are any unacceptable negative outcomes.

Senator HANSON-YOUNG—I did not see this in your submission, but have you turned your mind to the issue of compliance under these new guidelines and this legislation? If that relationship does not exist as well on some campuses—the UTS or wherever else—what role should have the government have in terms of ensuring that this money is put towards essential student services? If there are issues on an individual campus, how should those compliance issues be managed?

Mr O'Sullivan—The government is conscious of treading a fine line. They do not want to micromanage the sector. Some of the characteristics of the amendments reflect that positioning. There need to be—and the review that we were talking about just before would be a component of this process—checks and balances to ensure that the funds are targeted to areas that what we would broadly describe as the benefits of the system pre the 2005 legislation. It does fall predominantly to local universities in the proposed structure of the amendments and the guidelines. But that review will be the point at which the government, without stepping over the line of micromanagement at the front end, can—if there are found to be untoward outcomes in where the money is being consumed, such as not going to the appropriate services and benefits for the total student population—propose some further adjustments to the system.

Senator HANSON-YOUNG—Your member bodies have had to perhaps scale down services and activities with the introduction of voluntary student unionism. This is a general question, so

it might be hard to answer: looking at the different level of services now, do you believe that they have been stepped down to the most essential services or have services that are easier to force the student body, university staff or members of the community to pay for been prioritised over other services that would have had higher outgoings as opposed to incomings?

Mr O'Sullivan—When you have anything up to 80 per cent—there were varying proportions—of your set revenues removed, you need to look at all of your expenditures. The ones that tend to get a bit more attention at first are the ones that are purely costing—the services that cost more are looked at, as in any ordinary organisation. Compounding that circumstance has been the broader economic environment, which has compressed some of the sponsorship and advertising revenues that may have helped fund some of the programs. Your point is probably in the right direction. In some instances, services that have some offset potential through the user paying and/or sponsorship or any other avenue have the capacity to survive longer than a purely costing service.

To give you a local example, one of the first decisions that my board unfortunately had to make was to remove funding from a community legal service. It was a fully cost item—there was no return on it; obviously, there were no user charges for the system as it was established. The board had a lot of angst over that decision. But it recognised that, in an incorporated circumstance, they had a responsibility as directors to make sound financial decisions to adjust to the new economic landscape in the interests of the organisation being able to remain a going concern. What you are suggesting is, broadly stated, an accurate proposition. There has been a movement towards services that have some other potential funding or offset characteristics as a trend across the sector in the last couple of years.

Senator HANSON-YOUNG—Do you think that with the introduction of the \$250 levy—and obviously based on the way that the legislation currently stands—that a student organisation would be able to liaise with their university in terms of particular services? Do you think that there would be a bit of catch-up? You have lost the legal assistance service. For that to be reintroduced, how would you come back to it without it costing a whole lot of money upfront?

Mr O'Sullivan—Reestablishment costs are going to be a real issue for many of our member organisations. In some cases, the physical capacity to provide the service may have changed—something else may be now operating in that area; the university may have decreed a different purpose for the space that was freed up because a service was not able to be continued. In the general sense, there will be a lag or an amount of catch-up that needs to be undertaken. That is why we flagged in our submission that despite the \$250 there are still medium- to long-term issues with the capital side of things. We have not yet finalised this, but we are providing a submission to the minister regarding the operation of the guidelines as well. That goes some way towards your point about those things.

Senator HANSON-YOUNG—My next question is probably more in relation to the guidelines. If you can answer, that would be great. You mentioned that one of the benefits of having these types of services was not necessarily giving students access to the dentist, legal advice when they need it or child care but giving them access to those extracurricular activities that give students a little bit of an edge when they are applying for a job—that hands-on experience, such as leadership through running an organisation or activity. I believe that that is an essential service and is what gives a university an edge over other teaching and learning

facilities. How do you see that being balanced with those other essential services, such as child care, legal support and employment services? How do we make sure that we do not lose that?

Mr O’Sullivan—With those less tangible types of results, you have to do more to ensure their continuation. Most universities these days recognise this. You commonly hear the phrase ‘student life’ mentioned at senior university levels. It is not just about attracting the students because of an expertise in faculty X or Y or because of a research reputation internationally in another area. Students are also attracted because of the range of facilities available and the range of extra-curricular opportunities. The report that I referred to before from the Business Collaboration Council identified in a much more specific way that, while there is a fundamental need—obviously—for the formal qualification, once you are through that hurdle an employer is looking for other attributes and characteristics. They want to understand what else you have been engaged in. They want to get some perspective on what you would be like you as an employee apart from your technical capacity to work out the narrow problem that you might confront in your professional role.

This is a supposition, and would relate to why we would suggest that there be a review, but we think that universities are conscious of those less tangible services that have been affected since 2005 and therefore they will be conscious in ensuring that the disbursements of funds will be targeted to those areas—not just the physical spaces but also particularly into programs such as the social, cultural, sporting and recreation clubs. They are very much grounding bases for ways people can make contributions to our society in the long term, not just professionally but in a broader community role.

CHAIR—I want to follow up on an issue that Senator Ryan raised about the ski clubs. How much money is spent by universities on ski clubs?

Mr Knapp—I do not know.

CHAIR—Could you find out?

Mr Knapp—I can find out for you.

CHAIR—Do they pay their own way?

Mr O’Sullivan—No, they are a cost. In New South Wales, because they are a cost, both the two universities that I know had ski clubs—I am not sure if there were any, but Sydney University and UTS had ski lodges, at Jindabyne and Thredbo respectively—sold them to accommodate other financial pressures. They are gone.

CHAIR—So they are getting rid of them?

Mr O’Sullivan—Yes.

Mr Knapp—But I will find that information for you.

CHAIR—If you could, that would be good. I would not mind knowing that proportion, because that is one of the areas that has been raised. I did not go to university, but I am very

happy for my tax to contribute to all the things that universities do. It is for the common good; it is fantastic. But I must say that there is a point about what may be dressed up as sport. I took my kids skiing once, and I am still recovering from the cost. I know that it is a sport, but the point is that if people can afford to go skiing they do not need to be subsidised by a university to do so.

Mr Knapp—I know that with our own national events, our multisport university games are very much less expensive than our snow event is. Once again, getting back to the idea of a user pays system, the kids who go skiing and who attend our national event pay a lot more money for it. But I will find out the answer to your question.

CHAIR—Yes, because I would like to know, if we quarantined ski lodges and that facility, for instance, how much extra money would be available to go back into the bigger pool of sports that are actually available on campus. I think, unfortunately, that is all we are going to have time for. I did have a couple of other questions. We might get them to you on notice. They will be very brief, though. Thank you both for your presentation to the committee today.

[10.15 am]

BARROW, Mr David, President, National Union of Students

HASTINGS, Mr Graham Nicholas, Research Co-ordinator, National Union of Students

HINCHY, Ms Stefanie Cait, Education Officer, National Union of Students

CHAIR—Welcome. We have received your submission, and I invite you to make some opening remarks to the committee, to be followed by questions.

Mr Barrow—I would like to thank the Senate for inviting the National Union of Students, who represent over 75 per cent of students through the affiliation of their student organisations. We have made extensive submissions to all previous VSU government and Senate inquiries. You may notice that many of our members have made submissions themselves, a minority of which are opposed to the NUS position. On the whole, we represent the majority of student organisations and thus the collective student interest.

We find the government's response to the destructive effects of VSU weak and timid. As shown in our submission, the effect on regional universities has been most pronounced, followed by universities that cater to students from a lower socioeconomic background. Group of Eight universities have generally found funds to supplement losses made in the wake of the legislation. However, in most cases even these arrangements are transitional. We find it disquieting that there is glaring disparity between the student experiences at different universities.

As I said, we are disappointed by this legislation. Student representation has been hit hardest by the introduction of VSU. This new law will not be good enough to restore the student voice on campus. It has long been our position that students should decide how their money is spent on campus and to politically organise to activate those views. They will not have the ability under the new legislation to do this. In fact, this law may act as a disincentive to voluntary membership on campus—voluntary membership that could fund an independent voice.

We have been quite shocked that opponents of this legislation have returned the argument to one of compulsory student unionism. Before 2005, membership of student unions was not compulsory, since conscientious objectors could choose to opt out at almost all universities. In our submission to the government inquiry, our position was to return to this system. It was not accepted. I would have to say that a lot has changed since 2005 and we feel it is more important to focus on these changes rather than the old ideological battles.

Under this legislation, we are concerned that universities will have financial and legal overreach that will cause student organisations to lose their autonomy. At Murdoch University, the union is under threat from a university takeover of services, and this legislation will make it more difficult for students at Murdoch to have an independent voice. This said, we are supportive of some of the measures included in the legislation. In relation to low-SES participation in universities, the 2008 independent Bradley review of higher education found that

student poverty and the lack of fair income support was a far greater deterrent than a high HECS debt.

Given this, it is appropriate for any service and amenities fee not to be paid upfront but in fact through a HECS style loan. The capping of this fee at \$250 is another important step that will ensure that the previously astronomical fee levels of over \$500 are not repeated. Given that HECS fees range between \$12,000 and \$30,000, an additional sum of \$250 is not a significant increase, especially given that the previous government increased HECS fees by 25 per cent in 2005. We find it somewhat hypocritical that opponents of this bill have used this as a reason to oppose the bill in the House of Representatives. In return for this fee, students will have more money in their pockets while at university while utilising a suite of services, amenities and protections that will aid retention, support low-SES and part-time students, commuters and students with young children.

In summation, if the government want our higher education system to be of a world-class quality, then the maintenance of a vibrant student life is essential to this goal. With the shrinking of investment funds in the global recession and the continued patchy government support of universities, the National Union of Students is concerned that the current university funding of non-academic services is threatened by academic priorities. This fee provides an income stream dedicated to the funding of these non-academic services.

Senator CROSSIN—Thank you, Mr Barrow and your colleagues, for your submission and for coming here today. I want your reaction to life at universities now that some universities are the regulator and the arbitrator of students' rights. Take Charles Darwin University, for example, in the Northern Territory where I come from. With the abolition of the student association or body up there, because of the actions of the previous government, my understanding is that that university now acts as the representative or rights body for students—basically it protects students or tries to advocate for students as well as being the body which students might be trying to protest about. What impact has that had? What feedback do you get from your members where that situation occurs rather than having a student representative body doing that advocacy for them?

Mr Barrow—You are correct in your analysis of Charles Darwin University. In fact we have had a number of complaints that have come to the National Union of Students because there is no campus based body. We do not have the capacity to represent students on their home campuses across the country, in terms of individual matters. What we have found is that there is a conflict of interest when universities have to represent against themselves within the academic structures of the university. We have seen this at a number of universities across the board. There is no independent student representation at Macquarie University; Southern Cross University, Lismore; the University of New England, Griffith University, Logan; Griffith University, Brisbane; and Charles Darwin University, and there is reduced capacity at Charles Sturt University; UWS; La Trobe; Griffith University, Gold Coast; the University of South Australia; the University of Adelaide; the University of the Sunshine Coast; the University of Southern Queensland; James Cook University and Central Queensland University. So, of all the services that have been hit it has been this independent representation and to a lesser extent advocacy that has suffered the most.

Mr Hastings—I will just add to us that there was some evidence provided to us from Charles Sturt University, Bathurst where they looked at the case load of who was going to the independent advocacy service when it was run by the student union and who is going now that the university is providing it. The numbers of students turning up for the casework fell by 87 per cent. So even though universities are sometimes putting in charters of independence when they are trying to run it themselves, the students do not perceive that. Regardless of what internal bureaucratic processes they have to protect that, students see that the university is in conflict through advocating against itself and they will not go to that service. I think that is a real concern.

Mr Barrow—More broadly, universities need to improve their offering. Representation and advocacy has been a key part of that. We have seen through the Bradley review that there have been worries about the declining student experience. In fact, it has been student representatives who have been part of the process of improving what universities do. To give you an example, student unions are much more innovative in the way that they can reach out to their members. We have been using Facebook for years, and universities are only just getting on to it now. It is about improving the ability of universities to provide their academic offering.

Senator CROSSIN—Under this legislation, though universities will collect the fees there is no guarantee, is there, that student representative bodies will be re-establishing in those universities or even that the fees will be passed on to those bodies.

Mr Barrow—That is correct, and that is our major problem with the legislation. We will be seeking to have an amendment moved to include representation within the guidelines.

Senator CROSSIN—In what way? If the university chooses to keep the money and administer the money are you suggesting that students have some input into that or are you suggesting that student representative bodies ought to be established and it be mandated that the money be given them.?

Mr Hastings—There is a requirement under one of the guidelines for student representation but that cannot be funded from the compulsory \$250 amenities fee. The university would provide out of its own pool of money. No-one has explained quite how that is going to be funded. It basically would be an allocation the university would make through a service level agreement. The university would basically purchase a representation service from the student organisation and could purchase a student advocacy service from the student organisation—but not necessarily, because it could outsource it to an external provider. The actual \$250 is not going to be passed on to fund the representation or the independent advocacy services.

Senator CROSSIN—But a university could if it wanted to hand those fees over to the student representative body. That is one model it could propose. Or it could keep the fees and administer the fees themselves.

Mr Barrow—That is one model, but that is not the model on the table at the moment. It would be incredibly difficult at this stage if a university did not want to fund their representative services for a representative organisation to mount a legal claim to access those funds because representation is not included at this stage in those guidelines.

Senator CROSSIN—I see. How will students guarantee that the moneys are well spent under this legislation?

Mr Barrow—That is our argument—that is, that students have no guarantee. If students do not have control of the funds then there is no guarantee that they will be spent wisely.

Senator CROSSIN—What is the expectation on NUS at the moment about how those funds would be expended?

Mr Barrow—At this stage we see that the collection of that fund would go to a range of services. In fact, student representative organisations will have to compete with university departments to fund those services. That is something that we are very concerned about. There will be a process, one assumes, where student organisations, service providers, university departments and external contractors will have to compete to provide the legal service or representation even.

Senator CROSSIN—Given the comments in the Bradley review and given the experiences of students and their representative bodies over, say, the last five to seven years, is this legislation a step forward? If so, in what way?

Mr Barrow—I think NUS has been put in a difficult position. For us it in fact does not help student representative organisations, which are our members. However, the fee will improve student life for students. We have to say that, for students, it will be better with the collection of the fee. But, for student organisations, it is going to be a real problem.

Senator CROSSIN—Thanks.

Senator HANSON-YOUNG—I would like to continue in relation to the way the current legislation and guidelines are drafted. At the moment, the way it stands—and correct me if I am wrong—the \$250 could be charged to every student yet there is absolutely no guarantee that they will have any say in how that \$250 will be spent.

Mr Barrow—That is correct. Universities will have control over those funds.

Senator HANSON-YOUNG—There are people who are saying—and there is at least one submission in here saying this—that \$250 is a lot of pay if you are a university student. We obviously understand that there are student services that have been cut since VSU and that campus life is not what it used to be. That has an impact on a graduate's holistic educational experience and on giving them the edge, as I was talking with the previous witnesses about. Having understood that the \$250 will go some way to addressing that, it still seems like a lot of money for an individual student to pay if they are not going to have any say in how it is going to be spent.

Mr Barrow—I think it is more important to look at the fact that students are not only paying this fee. They are paying for their entire tuition. The control over the fee in previous years was really the only way for students to direct their education. We believe that students should have a much more engaged interaction with universities and should really be part of the processes internally that decide the type of education they get and the way in which it is given. You are

exactly right in the sense that, if students lose the ability to take this fee, there really will be no way for students to direct where the money is going.

Senator HANSON-YOUNG—So, even though one of the benchmarks that the minister has set down is that the universities will need to conduct some form of democratic election, there is no link to that having to be in association with a student body, and obviously there is no link to using any of the \$250 for that. Don't universities already run their own internal elections for university council and, in some universities, for different faculties that are not necessarily linked to student organisations anyway?

Mr Barrow—That is correct. The situation will be that, without funding for representation to include things like offices, computers and honoraria, that representation will be tokenistic and in some cases the VC will have a huge amount of control over who those appointees are.

Senator HANSON-YOUNG—So, however the individual university decides to run that election, the people who are elected are not guaranteed any resources to engage with the students they represent and whose views they advocate for?

Mr Barrow—Not currently, and, if there were an amendment to the guidelines, it would be to include resource representation to allow that—because otherwise it is just tokenistic.

Mr Hastings—The national student representation and advocacy protocols were written for higher education providers, which includes non-university providers. That includes bodies that receive funds through the Commonwealth Grant Scheme—institutions like Table College and some of these smaller institutions which may have a very rudimentary student council. The protocols were probably written with those organisations in mind and how they implement those initial steps of their student representative structures.

Senator HANSON-YOUNG—Yes, it is very different with a student organisation.

Mr Hastings—In some ways it would have been better if there were different protocols for universities and non-university institutions. The protocols are very vaguely written because they apply to two very different types of institutions—one a big established university and the other a small religious college. They are trying to catch all and it makes it very loosely worded.

Senator HANSON-YOUNG—I must say, if I were a university student knowing that all the university had to do was run an election to elect a person who had no way of ensuring they could speak to students or understand who they were meant to be representing, what they were meant to be advocating and what their student body would like them to do, I would see it as tokenistic—I agree with you. Regarding the guidelines, there is this wording around political activity. What is NUS's understanding of those types of restrictions?

Mr Barrow—It should be clarified that we do not know the full details yet, but we understand it to be that endorsement of political parties and taking part in federal, state or local council campaigns will be restricted. Donations to overseas political organisations obviously will not be permitted. That is our understanding at this time.

Senator HANSON-YOUNG—So if a student body is concerned that a stimulus package of \$42 billion does not include students—or only includes certain students and does not, say, use an enrolment date that students have actually enrolled by—the guidelines are clear enough that that advocacy would not be restricted?

Mr Hastings—These guidelines only allow for institutional advocacy. It depends how broadly you mean ‘institutional’ to be, but I presume the drafters meant higher education providers. So we do not see any mechanism for students to be funded to make any comments to assist the Commonwealth, the departments, the quality agencies and all those sorts of bodies with the higher education matters that they are constantly seeking our advice on.

Senator HANSON-YOUNG—So, even if there were to be a review process of this legislation, a student organisation could not spend any of the resources collected via the \$250 to advocate to the Commonwealth government about how this new fee is being spent and how it is working?

Mr Hastings—There is no money for representation full stop. All those protocols are excluded from the fee. This is money the university will provide for internal representation on its own committees. There is no mechanism to fund anything beyond that.

Senator HANSON-YOUNG—So we are going to charge students 250 bucks which is not necessarily going to be spent on representation, even ensuring that the money that they do spend goes to the services that they perhaps want—I am picking up on a point that Senator Ryan made before. While I do not necessarily agree with him, there was an issue around whether students want their money to be spent on a ski club. If you are spending 250 bucks, surely you want to be able to have some say in how that money is being spent.

Mr Barrow—Dare I say ‘no taxation without representation’. The idea is that students should have control of their affairs and that when they have these funds they should be able to direct where they go.

Senator HANSON-YOUNG—Do some of your members have concerns about how they will work with universities to ensure these funding arrangements?

Mr Barrow—Yes, absolutely. There are a number of universities that have got it out for their student unions, and we are very concerned about that.

Senator HANSON-YOUNG—So what do you think about the ideas of compliance under this legislation? How do you see that working? If there is an issue with either universities not funding the services that they should or need to, once this \$250 is collected from each student, or in fact the money is given to a student organisation that is a bit of a renegade group which spends it all on free beer or something like that—

CHAIR—Ski lodges.

Senator HANSON-YOUNG—or ski lodges—what is the mechanism for compliance?

Mr Barrow—I think that, because the university will be collecting the fee, the compliance issues are taken out of the student union. They will have to revert to community style campaigns, if you like, to make changes to that.

Senator HANSON-YOUNG—I guess that, because there is no ability to fund or resource any type of representation—

Mr Barrow—That is right; it is hamstringing students.

Senator HANSON-YOUNG—even a student organisation that wanted to say, ‘Perhaps the fee isn’t being spent correctly,’ there is really no avenue to complain to the minister effectively, is there?

Mr Barrow—Not if that requires funding.

Senator HANSON-YOUNG—In summary, is there a list of things that your organisation would like to see ensured under the collection of the fee and the spending of it that would mean you would be happy?

Mr Barrow—Yes, resource representation would be the first one. That would also be very important for our affiliates. I would even say that affiliation fees for the National Union of Students to fund a peak representative body would also be something we would like to see but, given the complexion of the senate, I am not sure that is going to be so popular. But definitely the resourcing of representation is integral.

CHAIR—You mentioned the WA experience quite prominently in your submission. Can you briefly tell us how that experience relates to this bill.

Mr Hastings—I will take this one up because I have been around the longest through all of this debate. It comes down to the nub of what we were presented with when the 2005 legislation came up—that in Western Australia there had been state based VSU legislation that effectively had been in operation since 1997. Basically there had been several years of experience with the operation of the VSU in that state and it was argued: ‘There are self-funding voluntary student guilds and this model can be replicated around Australia.’ There was a lot of argument in the 2005 debate that this could just be adopted—that this model could just be followed. Take the example of the University of Western Australia, which it was decided is the best working model for that sort of model. It has about 57 per cent membership and the staff and the student representatives work very hard.

It enjoys certain peculiar advantages that were not presented around the rest of Australia. It had a consolidated guild structure; it did not have a split structure. It ran its own commercial trading operations to cross-subsidise non-profit-making operations. It had a fairly wealthy full-time student demographic, mainly studying internally. It was very much unaffected by the Dawkins reforms because it was a single campus. It was not a multicampus model, which had become more popular across Australia in the other states. Also, it is located out of town, so it had a captive market and people were not competing with all sorts of other private providers on the edge of the campus. So for its commercial trading operations it had a captive market. Also it had infrastructure that had been built up for about 70 years.

Those advantages were not enjoyed by a whole lot of other universities, so when they tried to adopt the model in 2006-07 they found it could not be replicated. That is why the debate has moved on now to what should be funded by the university, and by proxy the taxpayer, and what should be funded by this compulsory amenities fee. It is interesting how the debate has shifted from 2005 to where we are now in 2008.

CHAIR—Can you give me a picture of the services that have been most hard hit by VSU from the point of view of the students?

Mr Barrow—I think what we have to say is that the disparity between universities is very great. Amongst the Group of Eight universities, where a university has been able to find income, it looks like the union is going along fine. But at regional campuses, for example Southern Cross Lismore, everything is gone. The entire student union has basically collapsed.

CHAIR—When you say the union has gone, you mean all the services that were provided by it.

Mr Barrow—Yes, all the services, including 150 jobs. If we are going to talk about who gets hardest hit, a lot of the people who were working in those unions in country and regional areas have been affected.

CHAIR—What can you actually point to as a service that has meant a lot to students that is not there anymore?

Mr Barrow—Pick a campus: the legal service at UTS, for example. The ability to represent students at any campus in the country has been diminished. The dental service might have been affected. It really depends on each university specifically. I would say that across the board what we are seeing is a degradation of the entire system leading to those services having been reduced in their capacity.

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

Mr Barrow—That is correct.

Senator RYAN—Does it come with a salary or honorarium?

Mr Barrow—That is correct.

Senator RYAN—Roughly, what is that for? I imagine there are other positions as well within the National Union of Students that are paid.

Mr Barrow—Yes. I receive just below minimum wage for the year.

Ms Hinchy—I believe that is just below \$30,000.

Senator RYAN—Sure. How many paid office bearer positions are there in the National Union of Students? I am happy for you to take that on notice.

Mr Barrow—We will provide that on notice.

Senator RYAN—And by that I am referring to paid elected student officials. Are you a member of a political party?

Mr Barrow—No. I am not a financial member of a party. I found that there was a conflict of interest with that. I represent over 600,000 students. I was elected by 91 per cent of conference floor. I think the imputation here is that—

Senator RYAN—Were you a member of a political party?

Mr Barrow—Yes. I was a member of the ALP. I have not renewed my financial membership this year. I think the imputation here—

CHAIR—You are not thinking of defecting, are you? Senator Mason is getting excited.

Senator MASON—I can tell you there is plenty of room in our party.

Mr Barrow—I have heard. I think the imputation here is that if an individual is a member of a political party they cannot represent members of their community. I would just like to remind the committee that NUS has a long history of speaking out against any policy that is against the student interest, regardless of the party in government. Currently we are running a campaign for concession cards for international students in New South Wales and Victoria, where there are Labor governments. Equally, under the previous government, as you would know, we campaigned against HECS increases, and we will likely campaign against government policy in the very near future.

Senator RYAN—I was just trying to place the position on record, having formerly been involved with the organisation. There is a long history, it would be fair to say, that presidents of your organisation were members of the ALP.

Senator HANSON-YOUNG—It is not the Young Labor kids' fault that Young Liberals were not able to get there!

CHAIR—As someone who was never involved in union politics, I actually sit in amusement in the chamber and watch it still play out in the Senate. You would not be surprised that there is some history there.

Mr Barrow—NUS is a broad, representative organisation. We include students—

Senator RYAN—I was not implying anything; I was actually just asking a question to put it on the record.

Mr Barrow—Okay. I am sorry. We do have students from across the spectrum. Democracy is messy.

Senator RYAN—What are your affiliation fees? Are they still calculated per effective full-time student unit?

Mr Barrow—They are, but there are different levels of fees. As I have said, regional universities and low-SES universities have been affected much worse by voluntary student unionism, so—

Senator RYAN—What does it range from per—

Mr Barrow—It can range from \$1 per full-time student to, I think, \$3.50, and above. Obviously we have seriously been compromised by voluntary student unionism legislation.

Senator RYAN—What is the size of your budget overall?

Mr Barrow—I can provide that on notice.

Senator RYAN—I would appreciate that. Was the National Union of Students required to file a return for political or electoral related expenditure with the Australian Electoral Commission?

Mr Barrow—To what case are you referring?

Senator RYAN—The most recent ones—that would have been for the 2007-08 financial year. I am also interested in the 2006-07 financial year.

Mr Barrow—I was not an officer of the union at that time.

Senator RYAN—I appreciate that.

Mr Hastings—We can get back to you on that.

Senator RYAN—I would appreciate that. I was aware that you had to actually do one in 2004 which declared about a quarter of a million dollars of political expenditure. You mentioned earlier that your belief is that the ANS fee cannot be used to fund affiliation fees to the National Union of Students. But in the past, and I am particularly referring to the Victorian model—Mr Hastings, you might be better equipped to answer this—the subsidised services, through the compulsory fee, operating under what was called the Kennett legislation, were not able to fund NUS affiliation, but effectively the trading revenue that was supported by those subsidies was able to be used to fund NUS affiliation fees.

Mr Hastings—That is correct.

Senator RYAN—And that is the case under these guidelines?

Mr Barrow—No, it does not look like that would be the case. The reality is that universities will be collecting these funds and that—

Senator RYAN—Yes, but the funds themselves—

Mr Hastings—What has changed under the system is that commercial trading is now done by a university company. There might be a couple of places where that might happen, but most of

them are not making profits on those services and they are now in the hands of university companies. Cross-subsidisation is not going to be a major factor, as it was under the Kennett legislation, because back then commercial trading was all controlled by student organisations—mainly anyway. I think it would be very much a minority. It would be an exceptional case if it did happen.

Senator RYAN—So how are your affiliation fees paid at the moment if these trading entities do not—

Mr Barrow—It depends on the affiliate. Most of our affiliates work from reserves.

Senator RYAN—What is NUS's position on HECS, or HELP—whatever it goes by? We will use 'HECS' as shorthand for this, I suppose.

Mr Barrow—We think education should be free.

Senator RYAN—NUS policy is still that education should be free, but students should still have to pay a student union fee compulsorily?

Mr Barrow—I would just like to clarify that. First of all, student fees are never compulsory. There was always a knock-out clause—

Senator RYAN—Sorry—student union fees?

Mr Barrow—That is right. Most universities have had an opt-out clause for conscientious objectors.

Senator RYAN—I have been at a student council meeting where someone applied for conscientious objection and they were told they still had to pay the fee, and then they were denied it.

Mr Barrow—Nevertheless, this legislation is not compulsory student unionism. As I have said, the universities will be collecting the fee; we will not. That puts us in a very difficult position, because here we are having to say we want free education and do not think HECS should increase. Actually, if we look at the stats and see what is the greater deterrent to university participation for low SES students, it is student poverty not a HECS increase. So if that is the case, we support the student services being funded, because those student services are actually what support low SES students being at university.

Senator RYAN—But the point I was trying to get to, Mr Barrow—

CHAIR—But you did ask about HECS. You introduced the subject.

Senator RYAN—I appreciate that. I did not want to cut Mr Barrow off. The point I am getting to is this: do you believe—I believe the terminology AUS prefers is 'universal student membership'—

Mr Barrow—That is correct.

Senator RYAN—that students in your ideal world should be forced to pay a fee either collected on behalf of or by student union organisations, describe them how you may, for its use to be determined by that student union or organisation?

Mr Barrow—We do. The biggest issue was that those fees were paid upfront. That is why we support this being deferred onto HECS, because if you ask most students whether or not they would support some of their HECS going to student services while they are at campuses, most students would say yes.

Senator RYAN—So the fact that this is going to add somewhere between \$1,000 for a three-year degree and potentially over \$2,000 for a five-year degree to the cost of a student's HECS, which can represent anything from six to 12 months of additional HECS payments—because, you remember, this is an indexed fee and it is indexed according to how long it takes you to pay back; it is effectively added on to the end of the existing HECS debt—does not remotely concern you, that students could be paying another nine months of HECS?

Mr Barrow—As I said, if we are talking about low SES participation in universities, having those services for students while they are at university is more important I would say a than the HECS increase.

Senator RYAN—But you do not have a problem charging those low socioeconomic students the same amount as you charge someone from a very wealthy background where they are not going to feel the fee—they can pay \$250 upfront, they are not going to notice it, because they do not come from a lower socioeconomic background.

CHAIR—You put it that Mr Barrow is charging. I think the evidence is fairly clear that universities are going to charge.

Senator RYAN—No, I do not mean to assign that—

Mr Barrow—I think the reality is that at-risk students, whether they are commuters, part time, students with children or low SES students actually use our services—the advocacy—much more than others.

Senator RYAN—NUS services or the student organisations?

Mr Barrow—The services of our affiliates, particularly advocacy, but also child care. When we are talking about students who are at risk, when we are talking about retention, it is these services that actually keep students in university.

Senator RYAN—But this is a poll tax—this is the same amount. It is one of the only taxes I can think of in our society, if you describe it thus, that is levied on a head of population regardless of ability to pay.

Mr Barrow—Actually universities will have the choice about what level they want to charge different cohorts of students. You may have a university decide that all the first-year undergraduate students will pay \$250, post grad and part time maybe \$100, and students by

correspondence \$25. What we are opposed to is the fact that student unions cannot make that decision. That is going to be up to the university.

Senator RYAN—That leads me to the next point I was going to raise. I am assuming you come from a particular campus that you have taken a year off from?

Mr Barrow—That is right—UTS.

Senator RYAN—What percentage of students voted in the UTS elections?

Mr Barrow—I do not have those stats with me.

Senator RYAN—Let's take a punt. Would it be more than 50 per cent or less than 50 per cent?

Mr Barrow—I do not have those details.

Senator RYAN—If I put to you that the average participation in student elections was below 20 per cent—maybe Mr Hastings is capable of answering this—over the last 15 to 20 years, would that be an unreasonable statistic?

Mr Barrow—I think the reality is that funding for student elections is not included in these guidelines.

Senator RYAN—You talked about student control of the funds. I am interested in the legitimacy of these organisations. In my time in many years at the University of Melbourne participation never got above 12 or 13 per cent, and that was regarded as high by Victorian standards.

CHAIR—And you still could not get up.

Senator RYAN—No, I got up.

Ms Hinchy—To what, though?

Senator RYAN—Mr Hastings, you have been around a while—I have read your papers on this topic over many years. Would a 10 per cent figure of student participation, as in the percentage of eligible students that cast a ballot in student elections, be an unreasonable characterisation of the participation level?

Mr Hastings—I have seen such a lot of variability.

Senator RYAN—Has it ever gone over 50 per cent?

Mr Hastings—I have seen Melbourne Uni get very close to 50 per cent at times. It depends how lively the candidates are and how well they get out there. Local council elections have a voluntary voting system.

Senator RYAN—Not in Victoria.

Mr Hastings—I am from South Australia. There if you get about 10 per cent at the local government level you think you are doing okay.

Senator RYAN—I made the point earlier that comparing student unions to local government is something I have always found difficult.

Mr Hastings—But it is a voluntary voting system.

Senator RYAN—I would be happy with any figures you could provide, because it goes also to the legitimacy of those delegates elected to the National Union of Students.

Mr Barrow—That is an ancillary question, because in this legislation the money does not go to student unions. The money will only go to a student union if they provide a service—that is included in the guidelines—better than an outside provider.

Senator RYAN—I appreciate that. There is a great deal of flexibility for the minister to alter these guidelines, as happened in Victoria under the Kennett legislation. So some of us are looking at the principle as well as potential future developments. I will hand over to Senator Mason.

Senator MASON—Can I congratulate you on what I thought was a very temperate and comprehensive submission. Indeed, the information that you have provided is very useful for next week—the debate in the Senate is next week, isn't it, Chair?

CHAIR—It is a matter for government.

Senator MASON—Yes, it is a matter for government. Anyway it will come up in the Senate in the next couple of weeks. Thank you for that. Clearly things have changed since I was involved in student politics with AUS.

Mr Barrow—That was a very long time ago—

Senator MASON—It is a long time ago.

Mr Barrow—and a very different organisation. Even our organisation and affiliates have changed since the introduction of VSU.

Senator MASON—It was a long time before you were even thought of, Mr Barrow—this is going back to the early eighties.

Mr Barrow—I was born in 1986.

Senator MASON—It was before that. Both the previous witnesses and you in your oral evidence and also in your submission said that there is a general collapse of student campus life. That is a broad claim. Do you have any evidence of any decrease in applications from domestic

students to universities or indeed international students coming into Australia to study? That is first. Secondly, is that linked to a perception that student services have decreased?

Mr Barrow—As you know from recently announced figures this week, international student numbers have actually increased. I think that is because—

Senator MASON—I know that.

Mr Barrow—international students choose Australia across the board—not just the Group of Eight—because of the reputation that an Australian degree brings attached to it. Part of that is the ability for a student to strive for excellence in all endeavours. Whether it is sporting facilities, clubs and societies, or the vibrant student life that contributes to that, or the understanding that at an Australian university there will be support for overseas students—there will be advocates, there will be representation for those students—that is part of what adds to the reputation of an Australian degree. It is very interesting: the government interest in what universities can and cannot spend is much greater in Australia and to a lesser extent New Zealand than in other parts of the world.

Senator MASON—I think it is because of all those debates many years ago, Mr Barrow, which the chair alluded to before. But my question is a serious one. I appreciate your advocacy on behalf of the sector as a whole to say that student life would be enhanced by more money being spent on these services and a compulsory levy, but I think you have to admit that there is no evidence of that. In fact, the evidence is to the contrary. We have more and more people applying both domestically and from overseas to come to Australian universities. I have spoken to a couple of vice-chancellors over the last couple of days and there has been quite a spike in overseas applicants. I am not misleading you—that is fact.

Mr Barrow—I think there are two things here. The first thing is that in the independent Bradley review the quality of the student experience was a key factor that they were looking at. The second thing—and the more important thing, I think—is to look at the fact that, at the moment universities are funding the student experience and those student services. They are doing that out of teaching and learning funds, and that has an effect on the actual quality of teaching and learning and the amount to research as well. Because of the global financial crisis and a whole lot of other issues as well, those funds are either transitional or can go up and down. So, really, what this legislation this bill is doing is establishing an independent stream for universities, not for student unions.

Senator MASON—I understand that. I understand the distinction.

Mr Barrow—That is really the key thing. If we want this country to be the best educator, the best place to bring up your children—all of that—you want to have a university that can cater to the whole community.

Senator MASON—What about the argument that I put to the previous witnesses in terms of these expenses. It would seem to me to be more just that universities pay for it as well as the users of the services. It strikes me as a much more just approach.

Mr Barrow—Everything that can be funded that is user pays is already user pays. I think that is important to recognise. The infrastructure and staffing costs that support the services often exceed the income that user pays can provide. No-one is hiding that fact.

Senator MASON—Why shouldn't the universities top that up? Why should non-users top that up?

Mr Barrow—If you are advocating—

Senator MASON—Don't protect the vice-chancellors here; don't worry about them; worry about the students!

Mr Barrow—an increase in funding to universities, do it. It is what we campaigned for for 12 years under the Howard government.

Senator MASON—I am trying to advocate, believe it or not, for students in a sense. The vice-chancellors would be delighted by this, because they would think, 'Great, we are getting all this money from students.' What about the students that don't use the services? I would have thought that they are fair part of your constituency and a legitimate part.

Mr Barrow—All students benefit from the reputation of Australian degrees.

Senator MASON—I accept that, but it is becoming a looser argument.

Mr Barrow—Also, a lot of services are there when you need them. You do not go into first year when you are 17 going, 'Oh, in three years time, when I get excluded unfairly from a subject, I might need the academic advocacy.' So those services are crucial. When we talk about retention and we talk about those at-risk students, they are the services we are most concerned about. We are coming here and saying that we do not like the position we are being put in, but these student services need to be funded.

CHAIR—Thank you very much to your presentation to the committee today.

Proceedings suspended from 11.02 am to 11.16 am

PALMER, Mr Nigel, National President, Council of Australian Postgraduate Associations

CHAIR—Welcome. We invite you to make some opening remarks to the committee, to be followed by questions.

Mr Palmer—Thank you very much and thank you for the opportunity to address this committee. I will seek to be brief. I would just like to open with the point that I think there is one thing that all parties to this discussion can agree on, and that is that a world-class university system is in all of our interests. The key drivers for that are quality and sustainability. In our view, that is quality and sustainability in teaching and learning, quality and sustainability in research and innovation, and quality and sustainability in services and representation. The purpose of this inquiry is to address that third point, the issue of quality and sustainability in student services and representation. The bill which is the principal matter before the committee has the aim of restoring adequate standards for services and representation for students in Australian universities.

The organisation and the students that I represent are Australia's 278,449 postgraduate students. They have their own particular interests and needs, and it is our concern that, following from the impact of the 2005 amendments to the Higher Education Support Act, this bill becomes an effective measure to restore and sustain quality student services for postgraduate students that are sustainable into the longer term. I think that the much sums up what I am happy to bring before the committee today.

CHAIR—Thank you. Senator Hanson-Young.

Senator HANSON-YOUNG—Mr Palmer, in your submission you acknowledge the impact that VSU has had on services across the board, but could you just flesh out specifically for me some key concerns in relation to postgraduate students?

Mr Palmer—Yes. I guess I should try and be as controversial as I can, but I am probably going to find that difficult. It is fair to say that, pre-VSU, postgraduates were marginalised in terms of dedicated services that are tailored to their interests and needs. What we have seen following the impact of the 2005 amendments is a further loss of dedicated services and representation for postgraduates. I indicated that we hope that this bill will move to address that loss and from our perspective there are two critical areas. The first and the most important is access to dedicated academic advocacy. We go to some lengths in our submission to try and provide a picture of what it is we mean by 'academic advocacy' because people often conflate academic advocacy with other forms of advocacy. From our perspective it has quite a specific purpose in regard to supporting students in their studies and through to the successful completion of their degree.

Postgraduates in particular have, as I said before, different needs and interests, and they also have a different learning environment. In the case of coursework postgraduates many of them are part-time and many of them have to study while balancing other demands including work and family. The average age of all postgraduate cohorts is significantly older so they have, again, a different set of needs and interests in terms of support. But in terms of learning environment,

coursework postgraduates have their own challenges and, of course, research postgraduates definitely do. Where other student cohorts move through their degree program as a group in classes, research postgraduates very much have a one-on-one learning environment with their academic supervisor.

The challenges that you are presented with in doing a research degree and the intensity of that relationship between student and supervisor means that those students in particular have quite specific needs because the kinds of problems that they have to deal with are different to those of other students. We do hear stories now of research students in particular approaching academic advocates that are still on university campuses—be they provided by university unions or by the university—and they are basically told to go away. The advocates as they stand only really deal with assessment problems for coursework students and, if they have a problem with their research, they should just go and consult their supervisor or the dean of their department, who is probably also their supervisor. It is very difficult for them to get a resolution. In terms of impact and in terms of the services that we are keen to see restored certainly dedicated academic advocacy is one.

The second is the kinds of student engagement activities that are instrumental in supporting collegial university experience. This is more than just having a good time at uni. It is important of course that the university experience is just not a miserable, boring time but I think, again for postgraduates, they have specific interests and needs. Often they are more vocationally oriented so they greatly value opportunities to network in their field of study. Also all postgraduates, both coursework and research, often have a significant research component as part of that study. Instrumental in the production and dissemination of research are opportunities to collaborate with colleagues and share that research. Postgraduate associations have historically been very innovative in providing those students with opportunities to engage in those activities, and those are precisely the kinds of activities that have been declining since 2005 and we believe are not at this stage adequately provided for under the bill as it currently stands.

Senator HANSON-YOUNG—I realise that the way the bill is written at this stage means that none of the money that would be collected would necessarily go to any student organisation at the moment. We just heard from NUS that that is the case. If that were to change, would you argue that there needed to be money specifically put aside for postgraduate students as opposed to a more generic student body to which you would then advocate how that money would be spent as a percentage or some of that funding for postgraduate students?

Mr Palmer—Absolutely, yes.

CHAIR—That is your recommendation 4.

Mr Palmer—Thank you, and I appreciate that you have read our submission. Clearly, that would really be of significant benefit for postgraduate students. There is a view, certainly post 2005, that universities can only afford what we refer to as a ‘generic model’ of student services. This is partly because universities are now footing the bill to support student services, for the most part. There is a real mentality, I guess, that student services should seek efficiencies wherever possible. Certainly, efficiency in running things well is a good thing, but we have found that there are efficiencies sought at the expense of quality academic and university experience of postgraduates simply because it is perceived to be more expensive to offer

dedicated services. One solution to that would be to simply allocate a proportion of the fee to postgraduate associations and have them administer the funds.

CHAIR—While we are on that, you recommend 25 per cent. Where did that figure come from?

Mr Palmer—In answering the question I will try to be as concise as I can. There is a point of principle here with regard to the current bill as proposed. This bill allows institutions to levy a compulsory fee, \$250, on the students, and there are a range of guidelines to describe what that fee can and cannot be used for. The point of principle is: the students are paying; it is their money. We are not arguing about Commonwealth money here. We are not arguing over university funds here. We are discussing the uses to which students' own money can be put. Our recommendation of course was that 100 per cent of these funds should be handed over to the students to administer, because it is their money. As a secondary position, we recommended an amount of 25 per cent. That is roughly costed, based on the assumptions that most universities will charge the full amount of \$250 and that we are reasonably confident that the majority of the services that we talk about can be provided for roughly \$50 a head. That would include dedicated independent academic advocacy for postgraduates and the suite of engagement activities that those organisations also engage in. So that is how we got to that figure of roughly 25 per cent.

CHAIR—I am sorry to digress a little bit, Senator Hanson-Young. Then why wouldn't the natural argument follow that the fee should only be \$50 for postgraduate students?

Mr Palmer—We would be more than happy for there to be a fee of \$50 for postgraduate students if 100 per cent of that fee were to go directly to postgraduate associations. We would be perfectly happy with that solution.

CHAIR—But, for the amount of time that the students are not postgraduate and the maximum is \$250, there would be less money in the pool for access to services for the bulk of the students. I am just wondering how you reconcile that, because there is a bit of an argument going on about the 'user pays' type of issue. I want to explore that a little bit with you.

Mr Palmer—Sure. We would not seek to speak for other groups in terms of their own costings for their own services, but it may well be the case that undergraduates come up with a comparable figure of costs for comparable services, perhaps with a different emphasis for undergraduate students. So you could have a simple arrangement where independent representation and advocacy, and student engagement with activities, are just funded for a fixed amount—let us say \$50—which is allocated to the respective constituencies on a per head basis, and the balance goes to support the broader suite of services, which I acknowledge are often expensive—gyms, food services and a broad range of other services that were previously supported by compulsory fees. They add up to a certain amount, and I would defer to my colleagues at ACUMA and AUS on costings for that. But in our case, as a minimum—that is not to say that you would cap it—for the very basics that we are talking about, \$50 a head is what we are confident in.

CHAIR—I think I understand what you are saying.

Senator HANSON-YOUNG—We heard from NUS earlier that they believe—and rightly so—that under the way the legislation is written at the moment none of the money collected from students would be able to be spent on representation, and that would obviously include NUS. Do you believe that that would be the case for CAPA as well?

Mr Palmer—Yes. Certainly there is nothing specific in any of the detail here for the bill or the guidelines which ensures that any money would go to our organisation. We currently run our whole organisation on about \$110,000 a year for everything, and I would be happy to provide senators with a full reconciliation of our expenses. They are very modest. Clearly, we play an important role. If you will allow me, I will outline the importance of our role.

Senator HANSON-YOUNG—You might be able to answer this question in doing that. One of the things I was going to ask was: how much of your time do you believe is spent consulting, advocating and advising various government departments and ministers in relation to policy, legislation, guidelines et cetera?

Mr Palmer—I think it is a really important point that, in a sense, advocacy can be understood broadly from the campus level right through to the national level—and the fact that I am sitting here before you today. If everything works well, individual students who have a problem will have access to an independent and impartial source of advice where they can air their concerns. In that case, let us say that that is an independent advocate. That advocate can brief a student representative who is elected from that constituency who can then go and make representations to the university on a particular issue.

We have 38 or so institutions across the country. Let us say that you have seven students from University X from the same department with the same concern presenting to an independent advocate for support, and that independent advocate solves that problem seven times over. Is that the end of the story? No, clearly there is a problem somewhere in the university with some kind of policy or procedure. For the most part, those are university related, so, at the campus level, advocacy can occur in a systematic way. Student representatives can be briefed and advocate for the interests of that group of students. But from there, of course, if the same problem is happening around the country, you have a national level policy problem. If things are working well, organisations like ours and our colleagues at the National Union of Students will hear back from campuses to say, ‘This is a real issue.’ For example, in regard to scholarships and awards, years ago there were no maternity leave provisions for PhD students on an APA, an Australian postgraduate award. We heard this very clearly from campuses across the country, and years ago we were able to successfully advocate at the national level, the policy level, that there was room for reform. I think the recent report from the House of Representatives inquiry into research training and research workforce issues is a testament to that kind of engagement.

So, to finally answer your question, Senator: yes, a significant amount of time is involved in soliciting that information and compiling it in a way which is amenable to the political process. As a concluding point, I think senators will all recognise that, the way policy is done, the way government is done, these days, if you do not have a voice you do not get a look in. Every group has a voice—the fisheries industry, the childcare people—and they are all legitimate and important roles. Student organisations are just another one of those voices, and if there is not one then students’ interests and needs are not being adequately accounted for in the decision making of government.

Senator HANSON-YOUNG—I am interested in the comments that you make in your submission about compliance. Do you want to flesh that out for me? What do you see as the limitations—putting aside all the other issues about not being able to effectively fund representation or there being no guaranteed effectiveness of doing that? How do we ensure that the money that students do pay is spent (a) on the services that it should be and (b) on the services that students want it to be spent on?

Mr Palmer—In our submission, we made a clear recommendation on reporting and compliance requirements on the part of institutions. On the bill and guidelines as they currently stand, students have no assurance at all that the fees collected under these measures will go to support the kinds of services and support that they need and that reflect their interests and needs.

Senator HANSON-YOUNG—Do you think \$250 is a lot to expect students to pay if they are not going to have any say in where it goes?

Mr Palmer—I think it is fair for students to say that it is just like another fee grab from institutions—that, without any sense of accountability on the question of how that is going to be spent, yes, it is certainly a lot of money. If, at a minimum, universities were compelled to account transparently for their administration of the fee, that would reassure students that they were actually getting value for money in their university experience. It would encourage universities to ensure those funds were being administered appropriately, and it would in a sense, I believe, support greater buy-in—I think that is the term—from students, where they can see that they have a direct stake in how their \$250 is being spent. I think in effect that would support a more vibrant university experience more broadly.

Senator HANSON-YOUNG—Do you have concerns about the loose requirements as listed in the legislation around universities needing to run democratic elections, from a postgraduate point of view? I was previously involved at the University of Adelaide, where I was President of the Students Association, and we had over 20 per cent voter turnout. Adelaide university has the highest in the country, I will have you know. It might have something to do with the calibre of the candidates, perhaps! There is a student run election process where students actively get involved and there is a process of electing. It was always interesting to be sitting on our university council with students who were elected to that body through a university run process, which did not necessarily directly engage the general student populace. From our perspective, from firsthand, they did not have the resources then to actively or effectively engage with the student populace they were meant to be representing, so in fact the student association ended up carrying it all anyway. From a postgraduate perspective, how do you see that this legislation is going to be able to balance the requirement of universities to run these elections but actually make sure they are effective in terms of the representation or the students that they end up having elected to these boards?

Mr Palmer—For a time, in the culture among our universities with regard to appointments to university councils, it was a matter of course that there would be ex-officio appointments from the student associations. In the last 10 years we have seen governance reforms which preclude ex-officio appointments, so if there are going to be student representatives on university councils, for example, the universities themselves need to engineer some kind of election or appointment process. I guess that in itself is not controversial. The issue there is: is the university getting value for money for those appointments? It does not cost them a cent—other than the

free wine and cheese they get at the council meetings. I mean value for money in terms of student participation in university decision making. I think it is a real danger that, if left up to the university entirely, these kinds of representative appointments will be entirely unrepresentative. You will just have a random student plonked on a committee, with limited or no ability to engage with the student population broadly and no resources at all to develop an informed opinion. That is why we stress in our submission there is a link between access to independent advocacy and student representation. I am not sure I answered the question.

Senator HANSON-YOUNG—You did, thank you.

Senator CROSSIN—Mr Palmer, currently membership to CAPA is voluntary and is external to any other fees universities charge—is that right?

Mr Palmer—That is correct. Our membership structure is that we have one member per university and we accept as a member any association of students that represents postgraduate students in particular. They have their own provisions for membership. Ours is voluntary; whatever association chooses to join us that passes the test, we welcome. And those associations have their own membership provisions for students which, in turn, would be voluntary. So at the national level and the local level there is no compulsion. We only survive based on the strength of volunteer participation for the most part.

Senator CROSSIN—So students pay a fee to the association at their university. Do you envisage that that will change with this legislation?

Mr Palmer—Yes, it will, and there are two implications there. The first implication is that, with the introduction of the ability for universities to charge a compulsory fee, we expect that most universities will. That then in effect displaces the ability for student orgs to recruit a voluntary fee in addition to that. So a lot then turns on the operation of this bill and the guidelines in practice. What the campus based organisations will need to do then is seek to make a case, as they already do at the moment, to universities to provide services and representation. They can at best, I think, hope to be sustained by means of a funding agreement or service level agreement with the institution in return for services. I guess there is nothing that rules out those campus based organisations paying fees to support their national groups, like us. Thankfully, that is not precluded under this legislation. Then it becomes a matter for us to seek to do the best job that we can to allow them to pay their fees. It would be nice to see in the fee guidelines that affiliation fees to the national bodies are required because the important quality assurance role that we play, but I think in the current environment that is probably a bit of a big ask.

Senator CROSSIN—I am assuming—and I might be wrong in this assumption—that a lot of external students are postgraduate. Should they be exempt from this legislation?

Mr Palmer—That is an interesting question and it is something that we have discussed among postgraduates. Postgraduates are much more likely to have to study part time, largely by virtue of lack of access to income support, and they are also more likely to be external. So the question is: should we be proposing to this committee and to government that they pro rate the fee or that they be exempt? The way the bill and the guidelines work, that is a matter for the universities.

Historically, as I said before, postgrads have actually been marginalised in terms of access to dedicated services. Although, on the one hand, it makes sense for us to advocate that it is fair and reasonable that part-time external students pay less, on the other hand, in the long term we know that that will be an excuse used by institutions to offer fewer resources dedicated to postgraduates and fewer resources for those distance and external students. At the end of the day, it is a matter for universities to decide and, if they decide to pro-rate the fee for external students or part-time students, either way we will just have to make our best case that those students are entitled to services and representation specific to their needs.

Senator RYAN—As you mentioned, postgraduate students are often external and part time, and that could be for the reason you mentioned or it could be because they are working full time to advance their career and studying to assist in that process. Given that profile, do you think it is fair that postgraduate students get slugged with a fee to subsidise clubs, societies and sports facilities, as well as other aspects of university services, that they really have no intention or ability to access?

Mr Palmer—There are two points here. One, I think it certainly is unfair if they see nothing in return. I guess the second point is that most students—certainly postgraduates—understand that participating in a university experience ought to be more than simply turning up and exchanging fees in return for a degree. I think most students would like to see the university experience as a robust and high-quality one, and that a lot of the purposes to which, say, a \$250 fee would be put may indeed go to the servicing of other students and other needs. But I think most students would probably say, ‘Well, once upon a time I was an undergraduate,’ or, ‘Once upon a time I was playing a lot more sport than I do now that I am focusing on my PhD.’

Senator RYAN—And they were probably paying for it then as well. I put to you that a lot of postgraduate students actually want to do exactly what you say they do not. They want to turn up—particularly those who are working full time—to undertake their coursework, or to see their supervisor if they are doing a thesis based project. What they actually seek—and for which they often pay significantly—is a very limited university experience that is educational. Do you not think that a significant proportion of postgraduate students actually have that view? I am talking particularly about those who may not be involved in the postgraduate associations?

Mr Palmer—I quite agree. Again, I think—and this was my first point—that it certainly is unfair if they see nothing in return. For example, let us say that you are a student doing a masters by coursework. You may work full time. You have to study part time. You have to balance work and family. You come to the university with your valuable time and you find that you do not have adequate access to afterhours facilities. You do not have access to the kinds of resources that students who are there during the day have and you do not have access to advice or quiet study facilities or a broad range of things that part-time students need. So, again, I think that it is legitimate for them to expect that their fees go to support those specific needs, but I expect most will probably also say that it is legitimate to support quality university experiences for the university community more broadly.

Senator RYAN—You mentioned examples of marginalisation of postgraduate students. I am not saying that I agree with everything you mentioned, but is it not fair to say that, with every one of those examples, you could have sat here and listed them 10 years ago? They are not a product of the voluntary student unionism legislation. I am speaking about access to services, the

university being focused around people there during the daytime—I am particularly thinking of people that come for afterhours courses—and the focus of the university on representation with respect to undergraduates. Couldn't all of those claims have been made 10 years ago?

Mr Palmer—In a sense, yes. I suppose the difference is that the situation moved from questionable to bad to terrible to possibly abysmal. The 2005 changes certainly did nothing for those individuals. In fact, those individuals were the biggest losers—it is an unfortunate expression, but it is true—because of this contraction to a generic model of service provision. It has just been deemed that tailored services for those groups are not economical and advice for those groups is not justified given the financial constraints. So, sure, it was not great before, but now we really are looking at a seriously degraded experience for those particular individuals—those that are part time or otherwise have different needs.

Senator RYAN—You mentioned advocacy, and I just draw that as a distinction from representation, which I will go to in a minute. In brief, what are the other examples? Being familiar with a couple of universities in particular, I am struggling to find how postgraduate students' experience has diminished so much given that, probably to a much greater degree than undergraduates, their experience was defined by the purpose for which they were there, which was education.

Mr Palmer—Correct. I think it is a reality that they just have less time to engage in the broader suite of activities that are on offer. I think the critical issue is that they want to make sure, when they are there or when they are engaging with the university, that things go well, but they definitely want to ensure that, when things go badly, they have somebody to talk to who actually understands their concerns and can actually get some outcomes for them, rather than just being fobbed off.

Senator RYAN—That would be advocacy related. But is there no specific instance you can give me now, if I am a postgraduate student turning up after hours part time or even during the day part time, of what specifically over the last two years has so allegedly diminished my educational experience?

Mr Palmer—Excluding the advocacy function?

Senator RYAN—Only because you mentioned that before.

Mr Palmer—Again, the organisations that we represent are very small and they only provide a limited range of services. We are not really asking for very much. But say in the case of that part-time student they have only a limited opportunity to get any sense of collegiality with their colleagues. They may be moving through a coursework master's degree where they have very limited class time. Perhaps the only ability they will have to get any sense that they are having any kind of university experience is through the kinds of professional, networking or social functions that their postgraduate association would be providing.

Senator RYAN—But those things just do not happen through student organisations, do they? My recollection of university time is that a lot of that social and networking activity was actually organised by university departments and faculties and students themselves, with no official involvement of postgraduate associations or anything like that.

Mr Palmer—That is right, and certainly we would not want to have a monopoly on those sorts of activities. But we all know—certainly those people in higher education know—that staff do not have time to do these things, and, when they do, they may not necessarily map with the market, in a sense, of students that need these sorts of things to enrich their academic experience. I think it is very unfair to expect individual students alone, without any means of recruiting broader support and without any funding at all, to try and sustain those activities. That still happens—there are still groups of volunteers out there trying to continue these things—but it is remarkable that that even occurs given that in many cases they have lost access to funding and staff support. They often do not even have an office or a room where they can stick the—

Senator RYAN—I put it to you that you underestimate the capacity of students, postgraduate and otherwise, to organise their own social and networking events and activities.

Mr Palmer—I think the question is more, from our perspective, that it is a strategic issue for universities. If they simply want to leave it to the students to organise their own stuff, then so be it. But, if they want to engineer an environment which is welcoming, supportive and conveys a sense that this is a high-quality institution, that postgraduates there are having a high-quality university experience, then I would suggest that, in their administration of this fee—as it looks like they are going to have—they will be getting good value for money.

Senator RYAN—One last question. One of the arguments often put in favour of charging all students for student organisations or services to be provided by them is that it supports access to facilities by people who are not students. We had a discussion on that earlier today with sports facilities. Do you have a view or does your organisation have a view on whether it is fair or not that students get slugged for facilities that are used by the outside community?

Mr Palmer—The organisations that I am speaking on behalf of never had the resources of the scale that would be used by outside parties, with the rare exception of members that I understand had printing and copying facilities and things like that, and I think for the most part they were fee-for-service.

Senator RYAN—I am particularly thinking of, for example, under the regime that existed prior to 2005 postgraduate students got sometimes a lower fee, sometimes effectively the same fee as undergraduate students. One of the arguments used was that the facilities they supported, whether they be child care, a medical centre or sports facilities, were used by members nearby but not actually part of what you would call the university community, not students. Is that a fair way to provide such services?

Mr Palmer—Again noting that it is outside of the brief of our organisations, services like child care are critical and they are more important for postgraduates given that the average age is about 36 years old. On the question of whether it is fair that outsiders have access to these services, that is really a sustainability issue for those service providers and I would defer to my colleagues at ACUMA on the logistics of that. But sensibly a healthy, well-functioning child-care service, for example, would engage obviously the university community and would also welcome people with child-care needs from outside of the university but they would arrive at some kind of reasonable fee-for-service arrangement for those services. So I do not see that as controversial.

Senator MASON—One of the issues that has been touched on this morning which has a great bearing over this debate over the last 30 years is the huge change in the make-up of students. Many more people are doing postgraduate, particularly postgraduate coursework, and generation Y so many more working. When I was at university languid undergraduate days spent with some work but a very good time—

CHAIR—Be careful what you confess to.

Senator MASON—Suffice to say that I had a part-time job but nothing like today. So in a sense we are talking about a huge demographic shift in the nature of undergraduate and graduate students and I do not think this debate about this fee has taken that into account. That is by way of comment. We will get to that perhaps next week in the Senate. Some issues my colleagues have touched on in terms of numbers, and you may need to take this on notice, but you mentioned in your opening remarks that there are 278,000 postgraduate students. Is that right?

Mr Palmer—That is correct.

Senator MASON—How many of those are coursework? I suspect the vast majority.

Mr Palmer—The benefit of having served in this role last year is that we had a review environment and all the submissions to these reviews make a terrific ready reference for questions like that. I will refer you to page 10 of our submission to the Bradley review. We have got a summary table which outlines that. Around about 200,000 of the 270,000 are coursework postgraduate.

Senator MASON—And the other 78,000 are research higher degree?

Mr Palmer—Yes.

Senator MASON—They would be masters and PhD?

Mr Palmer—Yes.

Senator MASON—Using those rough figures, of those coursework what proportion would be part-time? I suspect again the vast majority. Would that be right?

Mr Palmer—That is correct, a very large proportion.

Senator MASON—Can you tell me?

Mr Palmer—The enrolment figures are there. They are publicly available. Specifically for the coursework group it could be as high as 70 per cent.

Senator MASON—Could you find that out, on notice?

Mr Palmer—Yes, we can do that.

Senator MASON—It would be useful for the committee. In terms of part-time research higher degrees, what would that be, roughly?

Mr Palmer—A lower proportion, largely thanks to access to income support, but still probably about 40 to 50 per cent. I will follow up on notice.

Senator MASON—The reason I ask this—and I know my colleagues have touched on this—again, coursework masters degrees that are flourishing in the discipline of law have changed student numbers and they are a huge source of funds from international and domestic students. This is a new phenomenon. This is not something that has been going for a long time. It is the last generation. Again, it has an impact on who will use student services. I think Senator Ryan is correct. I did a coursework degree and I just did not have the time to make use of services. I think the question that Senator Ryan is raising is a legitimate one. The make-up of students, graduate students and even undergraduate students has changed. Undergraduate students are working a lot more than they used to. Campus life has changed enormously. I detect that. I am always on university campuses. The number of postgraduate students has changed enormously, as has the make-up. Does that make sense? We are talking about a different world to 30 years ago, a different world in Australian universities.

Mr Palmer—Yes.

Senator MASON—I have one more issue. You mentioned dedicated independent academic advocates. That would primarily be for a research higher degree, wouldn't it?

Mr Palmer—No—

Senator MASON—Primarily. It would be a problem when you have a problem with your supervisor and so forth, wouldn't it?

Mr Palmer—Coursework postgraduates also have concerns, I think. Those postgraduate associations who have the resources to do so compile caseload summaries. They can actually demonstrate trends by enrolment and by domestic and international.

Senator MASON—You said assessment was not a big problem. That is one issue. It is actually about a dedicated advocate. It is a slightly different issue.

Mr Palmer—No; I should clarify that in that case. In our view academic advocacy is a service which allows students somewhere to go outside of the university management structure to seek advice about their study, so necessarily that involves assessment. I guess my earlier point was that, post VSU, we have lost a lot of the more fine-grain understanding of the needs of research students as an impact. Coursework students, obviously given the large numbers, have their own concerns. They can be about assessment but they are not always concerns such as, 'I thought I should have got a high distinction and they only gave me a credit, so I am going to complain.' There are a broad range of concerns, some of which may escalate into a full-blown grievance and some of which is just griping. For example, taking our friends the part-time course work postgraduates, those students are really very reliant on the quality of the materials they are provided and the timeliness of feedback and the timeliness of assessment. That is one of the grievances we hear. They do tend to cluster around particular areas of the university from time to

time, where it is very clear that those students are being offered a very poor service. Their course materials are arriving late, at the end of the third or fourth week of semester.

Senator MASON—So they are paying a lot of money for these courses and the services perhaps are not up to it.

Mr Palmer—Absolutely. The important thing is that all students need somewhere to go to advocate on their behalf where they are getting a poor service from their university, and coursework postgraduates are by no means an exception there.

Senator MASON—I suppose my point simply was that the profile of students has changed dramatically in the last 25 or 30 years but some of the language of the debate has not, and that is a concern.

Mr Palmer—In response to the comment, I should acknowledge that it is a very insightful point. Student organisations are very well aware that there are changing patterns of campus use, which is the point you were getting at. I think in all of this we are not really advocating—certainly our organisation is not—for just going back to exactly the way things were, offering the same services on the same model, because clearly we were not entirely happy then. What we would like to see are services that are lean and effective and tailored to students' needs. We believe that the best and most economical way of doing that is for student organisations to administer them. The final point I make—and this is my only opportunity to say this—perhaps in response to a question I was hoping from Senator Ryan, is that I am not, nor have I ever been, a member of a political party. Thank you.

Senator MASON—Why not?

Senator CROSSIN—Thank you for reminding Senator Ryan that he dropped the ball there for a moment!

CHAIR—Thank you for your presentation to the committee today.

[12.05 pm]

CHOO, Mr Mark, Communication Executive, National Liaison Committee for International Students

CHAIR—Welcome. The committee has received your submission. I invite you to make some opening remarks to the committee, to be followed by questions.

Mr Choo—Senators, my opening statement will be to clarify and strongly put forward the NLC’s position on this legislation. The NLC fully supports this legislation to rebuild important student support services and democratic student representation. However, this should be with the exemption of these fees being applied to international students.

CHAIR—That is an interesting position, coming from your organisation representing international students. Maybe you need to explain that a little bit more to us.

Mr Choo—Of course. Our position is that we believe that international students are already paying for their own support services. Therefore, they should not be double-dipped in this way. They already pay exorbitant fees.

Senator MASON—Exorbitant?

Mr Choo—I do have an example I can give.

CHAIR—We will get to that. You have sparked Senator Mason’s interest. I just have a few questions first. Are all the members of your organisation current students?

Mr Choo—Our organisation does not have members per se. We as the national peak body represent all full fee paying international students enrolled. On the campus level, there are overseas student associations, OSAs, which represent their campus international students.

CHAIR—Are the members of those organisations that you collectively represent all current students?

Mr Choo—Yes.

CHAIR—I am wondering how representative your organisation is in terms of the wide array of foreign students studying in this country.

Mr Choo—Could you explain that?

CHAIR—Is your executive, for instance, broadly representative of students from, say, India, China, Indonesia, Thailand et cetera?

Mr Choo—Proportionally, as most international students in Australia are from India and China, our executive is made up of primarily that base. I am an employee of the organisation. I

was an international student. Our National President is Dolores Singh. She is a Fijian-Indian. Our National Secretary is Jia Cao. He is from China. That is an example. That is the peak body of the NLC. On the campuses themselves, the OSAs are students; we are former students who have moved on. Now the NLC is in a position to employ us for continuity. The student organisations gather at the National Liaison Committee annual conference, where they elect state convenors and from state convenors a national convenor is elected.

CHAIR—I want to push this a little bit more. My understanding is that there is probably a broad range of generic or special requirements that international students have and then there may be some very specific needs based on the country of origin in particular. I am interested to know how your organisation caters for that—that is, outside of the broad, generic range of services, how it might cater for the specific services, which still may be significant in terms of numbers.

Mr Choo—In our submission we presented our areas of operation, which are mainly: culture representation, compliance, welfare and leadership. For what you are asking, Mr Chairman, it would be something like culture. The OSAs will involve the international students on their campus in organising cultural events to express and highlight their individual cultures.

CHAIR—Is that an important aspect?

Mr Choo—Definitely. It is an important part of being an international student in Australia to be able to show your identity and say who you are.

CHAIR—Thank you.

Senator CROSSIN—Mr Choo, the students you represent who come to this country from overseas to study are predominantly paying full fees for their courses. Are they currently paying any other amenities fees or contributions to life on campus?

Mr Choo—We believe so. The Education Services for Overseas Students Act, the ESOS Act, is the legislation that all international students fall under. We believe that through that act we are already paying fees for services because we are responsible for all our own expenses through that legislation.

Senator CROSSIN—But that legislation does not specifically prescribe a student services fee, does it? It just prescribes the full cost of the course you are undertaking.

Mr Choo—If you look at when the VSU legislation came in and all the student services fees were removed, not all services were removed also. I will give a hypothetical example. If all international students were suddenly deported and no universities had international students anymore, what would happen to the services and the universities? Would they be able to support their services? That is where we are coming from and that is our belief.

Senator CROSSIN—What if there was something in this legislation that said that, with the introduction of this amenities fee, any other fee charged to an international student was prohibited? Some universities might disguise their fee in their cost. What about if it was very clearly stated—just this and no other fee? What would be your organisation's view then?

Mr Choo—We definitely want clarification on where international students are being charged fees for services. If, for example, this legislation does go through with the inclusion of international students then our position will be that the fees paid by international students should go to specific services targeting international students.

Senator CROSSIN—So you are saying you do not object to the fee being charged, and students will agree to pay it. You just want to be reassured that they are not paying this fee plus another hidden fee in the costs that they pay. Is that correct? They do not want to double-dip, in other words. You want to be certain that there is no double-dipping happening, whether it is overt or covert.

Mr Choo—Double-dipping is definitely an issue here. But, as I have already stated, international students are paying a huge amount of fees—at least three times what local students are paying. So, if these fees are not charged, it is best for the students. As we have stated in our submission, not increasing the costs is also good for the international education industry.

Senator CROSSIN—I am a bit unclear about the fees that students are currently paying. I suppose it varies, university by university, but predominantly students are paying the total cost of their degree, aren't they?

Mr Choo—Yes.

Senator CROSSIN—Are there some universities that are charging for the cost of the degree and services?

Mr Choo—Not explicitly.

Senator CROSSIN—It might be built in there in some hidden way.

Mr Choo—That is correct, which is something that we have been—

Senator CROSSIN—I understand. That is the clarification you would need.

Mr Choo—Yes, that is right.

CHAIR—It has been put to us a couple of times today that the whole university experience is one of the things that actually attracts people to Australia, not necessarily just the academic component. I must say—before I ask the question, I suppose—that I think it is a very important thing for the Australian community that when international students come they get to experience a much broader culture than simply being locked up in an academic room in that sort of experience. It is important to our international position in the world and the understanding between cultures, and that should not be undervalued. I was wondering how international students themselves view the importance of the whole university experience, as opposed to simply paying money to get the degree or whatever other qualification people are seeking to take back home.

Mr Choo—I believe the first point I have to state is that international students have a very limited amount of time. Based on ESOS legislation, international students are not allowed to

study part time. They have to study full time. Therefore, their time is limited, as well as their workload being a lot. So it is important to remember that point that international students do not have as much time to be involved with campus life, even if they want to. Of course, a lot of them do, and that is why we have the NLC and that is why we have international students being involved with student organisations as well as international students themselves organising clubs and societies—for example, Chinese societies, Indian societies, Singapore societies and so on and so forth. So there is definitely an aspect of university life that international students want to be involved in, more than just the academic side. From the NLC's perspective, we are also encouraging this. We feel this has always been part of the Australian education lifestyle and we would definitely like to see these services being rebuilt, as well as the support services that would be available.

CHAIR—This question may be a little bit self-indulgent—just for my information. Following on from my previous comments, the political debate amongst universities is a little bit contentious amongst political parties when we look at it in the narrow, domestic view, but I think it would be fascinating for students from China and many of the other South-East Asian countries, where there is a very different political culture, to engage in political discourse at Australian universities, which of course we all hope is where a lot of that discourse actually does take place. I was wondering: do the students you represent engage in the political discourse at universities, and how do they find that, given the very different cultural backgrounds and political backgrounds people are from?

Mr Choo—I am from Singapore, so I understand what you mean.

Senator MASON—In what sense?

Mr Choo—The difference in politics.

CHAIR—It is different from the Chinese experience, but not so much different.

Senator HANSON-YOUNG—There are obviously some visa restrictions on certain activities, aren't there?

Mr Choo—Yes.

CHAIR—But not on discourse, surely? If there is, I would like to know about it.

Senator MASON—Pluralism is what Australia is all about. It is not necessarily the political culture from which many international students come from.

Mr Choo—At the campus level with the higher education providers, there has always been a student union mindset in which an international student is a single representative is a single representative on a student representative council. It is a systemic problem in that international students are not able to express themselves beyond what the system allows them to. For example, the model from the University of Sydney, where there are about 31,000 students, has a student representative council of one representative per 1,000 students. They have 31 members. At the university, there are about 10,000 international students. Logically speaking, there should

be 10 international student representatives if we wanted to have a fair representation of international students.

CHAIR—I am talking less about the politics of organisations and numbers and more about the political discourse that should go on within the university structure. How do Asian students or other international students engage in that? It would be a very different experience for an international student from Europe, for instance, as opposed to someone from China or Singapore such as you.

Mr Choo—Going back to my point, all I am trying to say is that they are unable to express themselves. On the University of Sydney representative council, there are only two student representatives who are international students. There is no structure that provides an outlet. That is why we are advocating for a separate overseas student representative body. To satisfy your curiosity, what happened last year with the Beijing Olympics, when the Tibet protests and the anti-Tibet protest happened, is something like what you are talking about.

CHAIR—Yes. Are people involving themselves in that discussion that we hope would be happening at the university level?

Mr Choo—If it has such a high profile as what happened with the Beijing Olympics and the Tibet and anti-Tibet protests, then that would come up. The local ethnic communities would be involved as well, because there are cultural aspects to such events. With political discourse, if you are trying to ask, ‘Do people argue about whether democracy is the best of doing things or whether communism is the best way of doing things?’ no such forum exists at the moment.

CHAIR—I bet you that there does.

Mr Choo—No such forum exists that international students have access to.

CHAIR—Sure.

Senator RYAN—To clarify that point, I assume that what you are saying is that there is no international student only forum, because presumably they have access to at Sydney University the SRC elections and other forums within the university. Are you basically trying to say that there is no international student specific forum or are you saying that they do not have access to the same forums that everyone else have access to?

Mr Choo—The second one. I am trying to say that they have extremely limited access. You could say that outreach to them through the use of multilingual information to include them in these forums does not exist.

Senator RYAN—This links to the broader point. You are essentially putting to us that the fees that you are already pay should pay for the services, because you are paying for the cost of coming to whatever university that it is. You believe that in many cases international students are already paying for some of the services that are being listed in these guidelines. Are you basically saying that it is the responsibility of the university to be providing multilingual translation services and outreach services? Are you saying that they should be doing them already, but they are not?

Mr Choo—I would not go as far as to say that we are paying for them already. We just want to know what we are paying for.

Senator RYAN—Is it your view that these services—such as outreach services and the international student specific cultural services that you have already mentioned—should be provided as part of what you get for the fees that you pay for education?

Mr Choo—We believe that they should be partly paying for accessibility to university services at the very least. For example, some students with very poor English come specifically to do English course. If they cannot even find their classrooms or do not know where the building with their classrooms is, they find it very hard.

Senator RYAN—Presumably, that is a failure of the university to provide the service which these students have paid for, which is their education.

Senator HANSON-YOUNG—Surely you then need a well-funded and well-resourced student organisation to advocate for that kind of service?

Mr Choo—Could you repeat that?

Senator HANSON-YOUNG—I am sorry to interject, Senator Ryan. The concern seems to be that there are large fees being paid by full-fee-paying international students and there is a lack of return for that in terms of the services available on campus. Maybe these are things that are needed more by international students, such as the ability to find your classroom on your first day if you do not speak English or cultural programs that help people understand not just the academic aspect of university but the rest of university life as well. Surely then what would help in that situation is a well-resourced and well-funded student advocacy body that would say: ‘Hang on a minute. International students are paying five times more than domestic students and yet are not getting the services in return.’ You need a voice to be able to do that. My concern with this legislation is that students are going to be charged the fee but are not going to be guaranteed any voice. My perspective of your submission and your presentation is that you would agree that representation needs to be there. Perhaps if the members of your affiliated organisations on campuses could have a well-resourced body like that, they would be a bit happier.

Mr Choo—Definitely. We want an independent and autonomous democratically elected international student representative body. If these fees go through, we cannot risk having domestic students or the mainstream allocate resources that are desperately needed for international students.

Senator RYAN—Thank you for that very short interjection, Senator Hanson-Young. It is fair to say that these problems are longstanding, is it not?

Mr Choo—‘Longstanding’ as in?

Senator RYAN—The university failing to provide for or specifically address these needs is a longstanding issue. I have heard submissions on this over 10 years.

Mr Choo—Yes.

Senator RYAN—I would put to you that many of these problems are the result of university behaviour. Your submission tends to indicate that they are the result of the behaviour of universities not reflecting the needs of students. International students are already paying for these things, and the university is not even providing the basics, such as translation services to allow them to improve their English skills so that they can participate in basic university activities. Is that true?

Mr Choo—It is a systemic problem. It is across the entire system.

Senator RYAN—You also had a concern that, if this fee was levied on international students and it was put into the pot with, let us call it the Sydney university SRC, international students would be drowned out by either a combination of sheer numbers of domestic students or a lack of fora, as you have put it, for international students to partake in decision making. This bill does not actually address the problems you have outlined, does it?

Mr Choo—We are advocating for amendments to the bill and, as I said before, we support the bill with the exception of international students having to pay this fee.

Senator RYAN—I just have a couple more quick questions as we are running out of time with respect to the NLC. Is your funding purely sourced from campus based international student associations or OSAs as you call them?

Mr Choo—No, that is not how we are funded.

Senator RYAN—Where do you get your funding from?

Mr Choo—There has been a change from the past. On 1 May last year the original bodies, which were the NLC incorporated and the OSA incorporated body, merged into an NLC limited body which is a public company by guarantee. Our organisation is currently supported by the local Chinese community.

Senator RYAN—That is your sole source of funding?

Mr Choo—Our primary source of funding at the moment.

Senator RYAN—Do you receive funding from student unions or universities?

Mr Choo—No. We will have an auditor's report as well, as is required by public companies.

Senator RYAN—Just quickly on the election procedure, you said there is a state convenor in every state and they collectively elect your national office bearers: how are the state convenors elected?

Mr Choo—By the campuses in every state. For example, in South Australia they would be elected by Flinders University, the University of South Australia and the University of Adelaide.

Senator RYAN—The Overseas Students Association or whatever.

Mr Choo—Yes, the overseas students associations and the university union in South Australia.

Senator RYAN—Do you oversee those local campus elections?

Mr Choo—We are the returning officer for those campus elections.

CHAIR—When you say, Mr Choo, that your primary source of funding is from the Chinese community, what do you actually mean by ‘the Chinese community’?

Mr Choo—The local ethnic Chinese community.

CHAIR—How is that managed; through fundraising or other ways?

Senator RYAN—I think the chair is asking: is it certain benefactors, or individuals or is there an organisation that gives you the money? Or is from individual benefactors from within the community?

CHAIR—Or is it from the government?

Mr Choo—It is not from the government. It is from the Chinese community organisation and the public officer of their subsidiary, which is the Chinese Students Association, has come on board to support the NLC as the NLC’s public officer.

Senator RYAN—Does that have any conditions attached to it?

Mr Choo—No. We still are focused on the interest of international students.

CHAIR—I am speculating a little bit and you can tell me if I am wrong, but I suspect that the highest proportion of international students is Chinese and the next would be Indian.

Mr Choo—That is right.

CHAIR—Why isn’t there Indian community funding?

Mr Choo—We are currently in the process of bringing them in as well. It is just that the initiative has been taken by the local Chinese community.

CHAIR—You may want to add something on that later on. I am just interested to understand where the money is coming from now because what has been provided by a community for some of the services is not provided by other communities and you are suggesting that you should be exempt from a fee that theoretically would be designed to provide some of those services that are being provided by others. I am interested to know where that funding derives from.

Mr Choo—There are different options with funding. For example, our primary source is the Chinese community and we hope along the way to involve the Korean community and the Indian community because the Korean international students are the third-largest international student group in Australia.

Senator MASON—South Korean students?

Mr Choo—Yes.

Senator MASON—I did not know that.

CHAIR—We will find out the break-up from the department.

Senator HANSON-YOUNG—Firstly, I want to pick up on what you said about the concerns you have in relation to the lack of services and perhaps the quality of services that international students have access to—or do not have access to on a variety of campuses—being systematic. I would argue that perhaps it is becoming worse because there are larger numbers of international students, so it is more compounded if more people realise there is a lack of services. Would you agree with that?

Mr Choo—The word ‘cash cow’ comes to mind.

CHAIR—That is two words!

Senator HANSON-YOUNG—I did read that in your submission, I must say. There was a reference to that in the final paragraph, I think. I understand your concern that, if individual students are paying large fees for their degrees to the universities, surely they should expect not just high-quality academic services but all the other things that ensure that the education they are getting is as effective as possible—that a student who is paying huge fees is able to focus properly on their education and should not have to worry that a computer suite in the engineering building is shut down because the university has not been able to secure funding to get it reopened or replaced. They should not have to worry about their library closing at 6 pm instead of 10 pm because the university has not been able to manage the staff resources for that Friday or Saturday. I understand that that is absolutely a concern. They are, however, things that the university should be managing and, to be honest, should be integral to any student’s education whether they are international or domestic. The issue in relation to VSU has been that there is now no voice for students to say, ‘The university is not offering a quality education. It is not offering those extra things that ensure that we can study effectively and get the best out of a degree that we are paying through the nose for.’

How do the overseas students associations, the OSAs, on campus manage now that they do not get as much funding through the student services fee as they used to? I know from past experience of sitting on university union boards that a certain percentage of the fees every year out of the budget would go directly to the OSA to run those advocacy services. Everyone has had that funding scaled back because the money is not there. Surely those overseas students associations are not able to perform their role to advocate for their fellow international students as effectively because they do not have those resources. Is that a fair comment?

Mr Choo—There is a very tight competition for resources. An unfortunate example is at the University of Adelaide, which has our longest-running overseas students association. The situation with the student union and the overseas students association has become a pretty big fight for any amount of money they can get to support their representation. Services, such as library opening hours and all that the senator mentioned, are basic services that universities should provide. Of course, healthy student representation—be it of domestic or of international students—will help in guaranteeing these services.

Senator HANSON-YOUNG—If this is wrong, please clarify. You understand the need for student services, in terms of representation and advocacy, to be restored and well resourced. Your concern is that paying \$250 will not guarantee that it is going to go towards advocating for the needs of international students?

Mr Choo—That is right. Without an independent, autonomous international student voice, the money paid by international students—we are not asking for anybody else's money—may not be used for international students.

Senator HANSON-YOUNG—So if there were a way in the legislation to reflect that some of this money needs to go towards advocacy and representation for international students, your organisation would be happy to say that students should pay it?

Mr Choo—Not some money, Senator—all of the money from international students should be used for international students, for their benefit. I will give a very quick example of the seriousness of this matter. The attitude of higher education providers towards international students is about recruitment and marketing. Through the NLC's involvement with some state governments, that has been the same as well—marketing and recruitment. There is a lack of human outlook on what an international student is. Therefore, the systematic problem is that international students' welfare is overlooked. There was the case of Wei Liao, who was a Chinese student studying in Sydney. In October last year, she and her boyfriend jumped off a balcony because they were being sexually assaulted. After that we spoke to the shadow immigration minister, Dr Sharman Stone, to ask for the number of international student deaths, because we were concerned that this figure was not easily accessed. We found that there is real cause for concern as there were 62 deaths from November 2007 to November 2008. There were 51 deaths of international students onshore, which, on average, is almost one international student death every week for that year. We feel that there is a lack of safety initiatives for international students. That is a very important and essential need.

Senator HANSON-YOUNG—Mr Choo, I completely agree with you. I think that there is a vast range of issues in relation to the mismanagement of individual international student cases. We could be talking about visa requirements—people not understanding or being aware of exactly what they are signing up to—that is just one example—let alone the lack of support services on campuses. The concern that I have is that if we do not find some way of restoring representation and advocacy at a campus level for international students then these systems are going to continue unchecked and there will be no challenge to that. I think it is great that your organisation is able to continue and can advocate regardless of the fact that the VSU has come in—you have been able to find other funding sources—but I do not think that that necessarily helps those individual overseas student associations on campus to carry out proper advocacy and representation of their members, the international students on their campuses, unless they are

given the ability to run a well-resourced organisation. I would just like you to reiterate, just for the record: do you believe that we need well-resourced, funded OSAs on campuses?

Mr Choo—I believe that we need well-resourced and funded independent and autonomous OSAs on campus.

CHAIR—Just before I finish, I want to clarify a question that I asked you before when we were talking about funding for your organisation and your member organisations. I asked you whether there was any government funding. I was not referring to Australian federal or state government funding; I was referring to foreign government funding.

Mr Choo—There is none. What I wanted to say, but I lost my point before, was that international students in Australia as a collective body are noncitizens so they do not have the votes to be part of this political process. We only have the financial power, as a \$13.7 billion industry. Therefore of course we are looked at from a monetary aspect, but we are very lucky in a way that the local Australian Chinese community has come and supported us.

CHAIR—That is a given. I just wanted to make sure that you were answering the question that I put to you and you understood it.

Senator MASON—Mr Choo, this is a terrific submission, and you have brought to the committee's attention really important issues, not just in relation to this debate about VSU but more broadly, particularly with regard to the particular requirements of overseas students. I thank you for that. You argue that, in effect, international students subsidise or cross-subsidise domestic students in their activities. That is your argument, isn't it?

Mr Choo—Yes.

Senator MASON—Secondly, you argue that international students do not necessarily use the same services as domestic students, that some of you have different services that you require. Is that right?

Mr Choo—Yes, that is right. Some services we use, of course, but some services are impractical and inaccessible. Accessibility needs to be addressed initially but so does the introduction of international-student-specific services.

Senator MASON—And you argue that, if international students do have to pay the \$250 student services fee, those fees should go to international-student-specific purposes and nothing else. Is that right?

Mr Choo—Yes.

Senator MASON—Thank you.

CHAIR—Thank you for your presentation to the committee today.

Proceedings suspended from 12.48 pm to 1.45 pm

RILEY, Mr Benjamin John, Undergraduate Senate Representative, University of Queensland, and previous Treasurer, University of Queensland Union

YOUNG, Mr Joshua Michael, Immediate Past President, University of Queensland Union, and State President, National Union of Students, Queensland

CHAIR—Welcome. Senate representative, Mr Riley. We do not like competing Senate representatives here!

Mr Riley—You can call me Senator Riley; that is fine!

CHAIR—Do you feel threatened at all, Senator Mason?

Senator MASON—I always do, Mr Chairman!

CHAIR—Thank you for your submission. We invite you to make some opening remarks to the committee, to be followed by questions.

Mr Young—Thank you. Firstly we would like to thank members of the committee for the opportunity to comment on the proposed bill on behalf of the students of the University of Queensland. Today the University of Queensland student union and in my capacity as state president of the National Union of Students Queensland will be arguing that the changes to the voluntary student unionism legislation are unnecessary, counterproductive to the improvements made to student services since introduction of VSU and an unfair financial burden that will be imposed upon already struggling students, and that is what in the interests of student organisations and other student related organisations like ACUMA, postgraduate organisations, are not necessarily in the interests of students in general.

Since its enactment in 2006, the Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005 has had a profoundly positive effect not only on the operations and service capacities of the University of Queensland Union but most importantly the entire UQ student body. VSU has been a very practical way of easing the financial burden on UQ students who had previously struggled to meet the upfront cost of union fees in addition to other daily living expenses such as rental accommodation, food, utilities and textbooks. VSU has empowered students with the ability to weigh up whether the services the union provides are actually worth the \$136 per semester fee students were previously unfairly slugged. As a student organisation it has forced us to become more relevant to the concerns of our members and place particular emphasis on providing services and social events that will actually appeal to the wider student body and get them involved in the great services, support and representation that we offer. Functionally, VSU has not resorted resulted in a lessening of campus culture or available services or activities as opponents of the bill have argued. The UQ union has been able to maintain all essential representational and advocacy services that were provided before VSU and is constantly investing in new ways that will encourage further involvement and awareness of the union services.

It is very clear from the presentations made earlier today that there had been two contrasting approaches to dealing with the issue of how VSU has impacted on student organisations. As a bit of a background on the UQ union, it establishes the only UQ student organisation and represents all the approximately 38,000 students across the five campuses which UQ operates. With an annual turnover in excess of \$15.9 million and a workforce of over 300 permanent and casual staff, the UQ union operates 13 different businesses and runs a number of internal advocacy, representation and administrative departments.

Since the current administration took administrative control of the union from the Labor left administration in December 2007, many changes have taken place. The previous administration approached the perceived problem of VSU in what we like to call the NUS model, and I will address this in the moment. The current administration, on the other hand, took a different approach, which I will call the UQ model, which I will go into now. Upon taking office we recognised the importance of addressing the financial issues of the union and hit the ground running upon establishing a financially self-sustainable model. We engaged Ernst and Young and undertook a review who then came back with some significant findings about how the union was operated under a pre-VSU mentality. Essentially they established that our organisation was directionless, had accountability and transparency issues. We, however, saw this as a great opportunity and recognised the potential to have a well resourced and relevant student organisation.

In the 15 months that have followed, we have listened directly to students, found what they want from the union and turned the organisation around. We have made operational profits for each of the past six months and created a peer-to-peer note-sharing website called studyhub.com.au, where students are able to upload notes. We obtain advertising profits from it from third parties, so it ends up costing us nothing to run the site. In fact, we are starting to make profits from the site—and it is a service to students. We reopened the Schonell Theatre, a cinematic and dramatic space, reintroduced grants for clubs and societies and restored funding to UQ's satellite campuses, to name but a few improvements. In short, instead of shrivelling and dying, as was predicted by those with vested interests, we have actually increased the services that we offer and are flourishing under a VSU environment. This is in the interests of the UQ student union. More importantly, it is also in the interests of students, because they have the opportunity to enjoy a vibrant campus culture as well as representation without the need to be slugged \$250 for it.

I would like to contrast this approach with the NUS model. Before we took office, the Labor-Left-aligned administration stereotypically followed this approach to dealing with VSU and, from the stories I have heard and the submissions I have read from around the country, student unions around Australia reflect this train of thought. I guess it has something more to do with the fact that most of these student organisations are run by card-carrying members of the Australian Labor Party. Rather than biting the bullet and dealing with the issues relating to the loss of funds directly, they cried poor, shutdown services such as the Schonell Theatre and removed grants for clubs and societies at UQ to prove to the wider community just how bad VSU was for their organisation. However, this did not stop them campaigning and rallying against John Howard or any other fringe political issue that they saw importance in.

The fact of the matter remains: many student union organisations throughout Australia have failed to address the underlying inefficiencies in their own organisations, have failed to listen

adequately to what students want—and this is reflected in the very low voter turnout and membership rates of these organisations—and have lacked the entrepreneurial and hardworking spirit to turn things around. We are now in a situation where we can do one of two things: we can force students to cough up \$200 and endorse the poor and wasteful management that has existed and still exists within student organisations, or we can go back to a system that works and is fair to students. Again, I view the former to be in the interests of student unions and the NUS but definitely not in interests of students in general.

In conclusion, the UQ Union strongly opposes any changes to the higher education support amendment bill. The UQ Union does not support the proposed changes to the VSU legislation that will seek to compulsorily charge students for services that are currently offered for free by the UQ Union and the University of Queensland. The UQ Union calls upon the Australian government to honour the pre-election pledge made by the then opposition education spokesman, Stephen Smith, ‘to ensure that students, if they so choose, can voluntarily organise themselves into representative organisations and to allow students, if they so choose, to make voluntary contributions to those services’.

CHAIR—Thank you.

Senator RYAN—I have a couple of questions. We heard before that campus life has suffered, and you made a point in your presentation and in your submission about that. How long have you been at the University of Queensland?

Mr Young—This is my fifth year.

Mr Riley—This is my sixth year.

Senator RYAN—Would you say that over the last two to three years there has been a decline in the vibrancy of campus life—all those non-educational benefits—as many of the proponents of repealing the VSU legislation claim?

Mr Riley—There has been an increase, clearly.

Senator RYAN—And this is reflected in student clubs, the theatre you mentioned and so on?

Mr Young—The number of clubs and societies has remained the same from pre-VSU levels, so there are about 130 affiliated clubs and societies. We still have gigs, with bands coming once a week or fortnightly into the main union complex. We still have our big O-week concert at the start of the year. It is really about changing how we deal with it. For example, the O-week concert has now been outsourced to a private entity. Those that listen to Triple J—maybe senators do not—would have heard about the big O-week concerts across the country. What that meant was that we got a small fee for it and a percentage of takings from alcohol sales, as opposed to doing it ourselves the last couple of years and losing tens of thousands of dollars on it. We have been able to outsource it, so we do not take the risk and still make some money and students get the benefit of having an O-week concert. Again, looking at the bands we had through the week, what we did was spend about \$2,000 to \$3,000 on buying a temporary stage that we could set up and we now sell the space for advertising—for companies to put their banner on—so it ends up being cost-neutral.

Senator RYAN—So you do not have membership fees?

Mr Young—No, we do not.

Senator RYAN—Do you have a joining process at all? Is it that students tick a box to join or, because there is no membership fee, that you just exist and serve students?

Mr Young—That is correct.

Mr Riley—We focus our time and energy on our core focus of representing students or creating events rather than on just trying to get them to join up.

Mr Young—We have noticed that a lot of other student organisations that have sought membership end up spending more money and time on running membership drives than they do on actually obtaining members and covering the costs they spend on these drives.

Senator RYAN—I have a couple of questions related to your other role as NUS Queensland president. Is the University of Queensland Union affiliated to NUS?

Mr Young—Yes, it is.

Senator RYAN—What are your affiliation fees?

Mr Young—We received a first invoice for \$108,000, I believe, and we negotiated it down to \$58,000, inclusive of GST, through the affiliations process.

Senator RYAN—If I am correct, the University of Queensland Union affiliated to NUS around 10 years ago.

Mr Young—Yes, that is correct; through a referendum.

Senator RYAN—It has struck me that the affiliation process, once you have signed up, is very much like ‘Hotel California’—you can never quite check out. I am assuming that \$100,000 has been roughly—give or take \$10,000 or so—the amount UQ has had to pay over 10 years. Has that been reflected in your previous time at the University of Queensland?

Mr Young—Sorry?

Senator RYAN—Is that affiliation fee of \$100,000—the first invoice—reflective of what you have been billed in previous years by the National Union of Students?

Mr Young—We usually receive the same initial invoice of about that amount, but the end affiliation fee depends on who is in power at the union. For example, when Labor Left controlled the UQ union and had the numbers on the affiliations process the bill for NUS in 2007 dropped to \$20,000. The election results came through and Labor Left lost a lot of delegates, so the bill spiked to \$60,000 all of a sudden, with no justification other than that Labor Left no longer had the numbers.

Senator RYAN—And it is NUS who determine finally what the bill is, in your negotiations with them?

Mr Young—There is an affiliations committee, which is elected from the national executive, but it usually ends up being two from Labor Left, two from Labor Right Student Unity and one independent, usually from WA.

Senator RYAN—So you would say the process of determining how much your union is paying finally to the National Union of Students is a politicised process without transparent guidelines or measures as to how much you have to pay?

Mr Young—There is no coherent system of evaluating affiliation fees. For example, there were a number of student unions in last year's affiliations process. They were knocked back on their affiliation process because they were all independent campuses; they were not affiliated with Labor Left or Liberal students or anyone. Through the factional numbers that were done, they realised that they would lose their numbers on a national conference floor and they teamed up and denied their affiliation request for a lower fee.

Senator RYAN—As a representative of the University of Queensland Union, what would you say is the value represented for students by the \$50-odd thousand you are paying this year?

Mr Young—Absolutely none. In the budget that has come through there is \$8,000 that NUS has given for state campaigns. That is to be shared between Queensland, New South Wales, Victoria, the ACT and South Australia. So five states have to share \$8,000. UQ put in \$58,000 and QUT put in \$60,000—so that is 120,000 already. I am not aware of what the other states contributed. I know the University of Sydney SRC puts in \$100,000 every year, without doubt, though it changes. So you can see that hundreds of thousands of dollars go into NUS and only a few thousand come back in student campaigns and capacity to campaign on particular issues.

Senator RYAN—So what does NUS spend its money on?

Mr Young—Administrative costs and flying their office bearers around the country to ensure that they have the factional numbers, come student election time.

Senator CROSSIN—Do you have evidence? Where is the evidence of that?

Mr Young—It is well documented—

Senator CROSSIN—Where?

Mr Young—within student politics circles, and a number of other student unions, if they were here today, could—

Senator CROSSIN—But where is the evidence of that?

Mr Riley—Witnesses—

Senator RYAN—I remember the NUS budgets myself from years gone past. Is NUS Queensland playing a role in the current Queensland state election?

Mr Young—No, it is not.

Senator RYAN—Has it played a role, to your knowledge, in previous elections—NUS or NUS Queensland?

Mr Young—I believe it has.

Senator RYAN—Do you have any examples you wish to illuminate the committee with? You have mentioned the \$10,000 worth of T-shirts in your submission.

Mr Young—I can use an example that just happened yesterday. NUS nationally are trying to override the state branch, which does not wish to participate in a number of campaigns. They have sought to go around that by coming onto campus without permission of the student organisation, being UQ Union. They have come onto the St Lucia campus and they are distributing NUS material as well as ALP material and publicising the ALP candidate—who is Sarah Warner—for Indooroopilly, which takes in the St Lucia campus. So they are campaigning on campus to give a greater presence for that candidate in the state election.

Senator RYAN—I have just a quick question on the affiliation process, because I think Senator Mason has some questions. Ten years ago, students at the University of Queensland—whatever small proportion voted—determined to sign you up to NUS and since then you have been hit with affiliation fees of \$50,000 to \$100,000, or whatever the figures were that you quoted. What are the options for students or the student union at the University of Queensland to choose to leave the National Union of Students if it does not do much, as you said, for students?

Mr Young—The process through NUS's constitution and bylaws is quite draconian. You have to give six weeks notice to NUS that you wish to hold a referendum. A referendum is the only form by which you can leave NUS. You give them six weeks notice and I believe they are invited to come onto campus and to campaign against those who wish to have a referendum. To hold a referendum I think you need to get a few hundred to a thousand signatures. You then have a referendum and hope it goes a particular way. That is the only way to do it. This current administration at NUS has total disregard for the opinions of the UQ Union. Their own rules say that they cannot come onto a campus without the permission of UQ Union, and if the UQ Union does not wish to participate in a certain campaign that is allowed. However, they have blatantly come onto campus and distributed whatever material they wished. They do not meet with office bearers. They do not communicate their plans. Frankly, it is a terrible system.

Senator MASON—Thank you for your submission, gentlemen. It gives a different perspective to the committee. You are to be congratulated also for your entrepreneurial skills. In your submission you say:

The undisputable facts remain that the UQ Union has been able to maintain all essential student services, maintain high levels of advocacy support and continue its commitment to funding student areas such as Queer, Women's, International and College students without the need for a Compulsory Student Amenities Fee.

Then you go on to talk about revenue shortfalls and that you have made up for them. That is fine, and let me just accept what you say there. But we heard evidence earlier from Mr Barrow, the national president, and I think he said—I do not want to misrepresent him, but I think this is what he said—that in some universities and particularly perhaps in the G8, of which the University of Queensland is a distinguished member, student services have not suffered as much, yet he mentioned the Southern Cross University, I think, as one that perhaps has suffered.

You have done great work at UQ and you are to be commended for it, but what about Mr Barrow's point that student services in some campuses and so forth have suffered and that it could get worse if this legislation were not supported in the Senate? What do you say to that? That is going to the nub of the issue, Mr Young.

Mr Young—I would use the example of one of the smaller campuses of UQ, the Gatton, which is 100 kilometres west of Brisbane. It is a former agricultural college that is now under UQ. The natural resources and agriculture and veterinary sciences faculty is at that campus and they are currently building a major veterinary science complex, which is being funded by the Australian government. It has a student organisation. The University of Queensland do not recognise it as being the student organisation for that campus but, because it has been around forever, they do not mind it existing. They have a pub on campus—that is the only thing that they have—and a small room. They create an environment and an atmosphere on campus. They do not run political campaigns. They do not care about any of that sort of thing. All they care about is creating a campus culture on that campus. They have events. Everybody knows everyone on that campus. They are all friends—so much so that the student association bought a house, renovated it together and sold it so that they could renovate their own pub. It is full of country kids, so they are all very practical. That is the sort of thing they do. They look outside the square.

There are a lot of external students, but only 400 hundred students live on campus permanently, though they do get a lot of inflows from the vet school. They create an environment. They get students engaged, and the students want to be a part of the student association. The union provides a little bit of funding. We provide a part-time advocate out there. So they have representation and advocacy services—obviously not to the level of the UQ union. But a student at Gatton can come to UQ at any time and obtain our services or our help. We are always there to help. To go back to your question: that becomes a part of the university. If the university want to have services and amenities to attract more students to that campus, they really should fund it themselves.

Senator MASON—I have one other issue—and Senator Ryan touched on this before—and it goes to political activities on campus. As far as I understand it, political activity on campus is not an issue at all; rather it is about spending someone else's money compulsorily for the purposes of conducting political activity? That is right, is it not?

Mr Riley—Yes.

Senator MASON—So, at the moment, there is still plenty of political activity on campus, is there?

Mr Riley—Our view is that the union should not take a view—being Labor, Liberal or Green—and push that basically in a winner-takes-all approach. The way we run it is that we give individual clubs the capacity to do it themselves through grants from clubs and societies and allowing them to fundraise through BBQs, and what they do with their own members is their own choice. In the past, however, there have been, for instance, ‘Make Howard History’ rallies, which have been paid for by student union money. This is money that all students have been funding. It is meant to represent all students; yet it really just appeals to a small cross-section or the political clique that may have won on the day.

CHAIR—What campaign was that?

Mr Riley—‘Make Howard History’.

CHAIR—Obviously that worked!

Mr Young—Not in 2005, it did not.

CHAIR—The longevity of a campaign is important.

Mr Riley—Other things included, for example, sending people off to Woomera in buses and going off and protesting about the creation of some development on a lake, say, in New South Wales—which is not even in the same state as ours. That is where money has gone in the past, or to campaigns on other campuses.

Mr Young—You only have to look at the start of this year where student organisations were giving money to Palestinian movements in solidarity.

Senator MASON—That almost takes me back to my heyday! But we will not go there. Student unions used to do that back in the eighties.

Mr Young—To say what Ben was saying: we do not see a benefit of that to students. UQ students do not directly benefit from a few hundred dollars going over to Palestine.

Senator MASON—Does that still happen?

Mr Young—Yes, of course.

Mr Riley—It is about bang for your buck. Where do you want to put your money?

Senator MASON—Let me just conclude on this. Gentlemen, what you are saying is this. If clubs want to raise money, they can spend it however they want.

Mr Riley—Within reason. You cannot really just be the president and go and buy \$1,000 worth of alcohol and go home with it.

Senator MASON—I understand that. Thank you.

CHAIR—I take it from much of the political invective that was in your submission that you do not share the Labor-Left view of life.

Mr Riley—No.

CHAIR—I just wanted to clarify that. What view do you share? Do you want to inform the committee?

Mr Riley—I stand for freedom.

CHAIR—You can put a label on it, if you like.

Mr Riley—I am a member of the LNP of Queensland.

CHAIR—The LNP. No-one else actually admits to that! Mr Young?

Mr Young—Yes, I am a proud member of the LNP.

Senator CROSSIN—But didn't the national president of NUS say he was not a member of any party?

Mr Riley—That was at the time, but he was previously.

Senator CROSSIN—But he is not now, though. You are a member of a party now. Is that right?

Mr Riley—Part of their faction is—

CHAIR—I have the call, anyway.

Mr Young—As opposed to every other state president that is a member of a political party! The education officer is a member of the ALP. The small and regional campus officer is a member of the ALP. I can go through nearly every office bearer and they are a member of the ALP. The president may choose not to be out of convenience.

Senator CROSSIN—It does not matter, does it, really? You are a member of a party or you are not.

Mr Riley—You were the one raising the point.

Senator CROSSIN—It does not matter.

CHAIR—Are we finished? I have the call.

Senator CROSSIN—Good.

CHAIR—Thank you. Do the office holders of Queensland union get paid?

Mr Young—Yes, they do.

Mr Riley—Some do, yes.

CHAIR—How much?

Mr Young—They receive below the minimum wage—\$11.58 per hour—for 40 hours of work. That is given to the top three—the president, the treasurer and the secretary. On top of that is obviously super.

CHAIR—That sounds like a standard payment arrangement amongst universities.

Mr Riley—The vice-presidents, of which there are two—for gender and sexuality, campus culture and student rights—share 30 hours between them at that same rate.

CHAIR—I just wanted to get it on the record. These questions were asked of other witnesses, and I think it is just fair that we have a balanced view across the board. You said in your submission that you have still been able to provide all the services that you did and that your financial performance was strong. Did your organisation run at a loss last year?

Mr Riley—For the full year, if you take into account capital and one-off expenses, there was a loss. However, for the last six months there has been an operating profit. Like any organisation, if you take it over when it is in a bad situation and you are going to move into a good situation, there is a lag until the performance turns around. The fact that we have increasing monthly profits I think shows that that is starting to come around. I would compare it, perhaps, to the government that came into power in 1996. For the first couple of budgets they were in deficit but as time passed they had consistent surpluses. Whether or not we value that is a personal choice.

CHAIR—We will leave that.

Mr Riley—I am just giving you a particular example.

CHAIR—I am sure in your university you have plenty of opportunities to run that line as much as you like. But I do not accept that running University of Queensland Union is the same as running the Commonwealth government. Nonetheless, if that is a comparison you want to make, good. How much do you get as a direct grant from the university?

Mr Young—It is \$1 million for a calendar year.

CHAIR—You take that off? When you say you run at a profit and you are now making surpluses, is that with that or does that stand outside of that?

Mr Riley—That is not operating; that is an external financial grant. By ‘operating’ I mean the way in which the business is run and more broad things such as marketing income.

CHAIR—It is not a trick question. I just want to understand whether the \$1 million that you get from the university is included in that figure when you say you run at either a loss or a profit.

Mr Riley—As for the overall financial results, it would be included in those. But, when I mention the monthly result—

CHAIR—It is all right.

Mr Riley—I am just clarifying.

CHAIR—I do not want you to be misrepresented, but you get plenty of words in!

Mr Riley—Yes.

CHAIR—When you say you are running all these businesses at a profit, that is including the million dollar subsidy you are getting from—

Mr Riley—No.

Mr Young—That is what he tried to explain. The operations, which are the businesses, are running at a surplus, but we have costs. That is how we do our cost centres. The advocacy and representation is separate.

CHAIR—This question is following on from whether you, as a union, ran at a loss or a profit. While you said that you were actually running at a loss at the moment, over the year, the last six months looked good and you believe you will be making surpluses. Where does the \$1 million fit into that?

Mr Riley—The overall profit result for the year is included in that but—

CHAIR—So if you took the \$1 million out, you would be \$1 million short.

Mr Young—Assuming we were running the same way, yes.

Senator HANSON-YOUNG—You are not economics students?

Mr Riley—Commerce honours.

CHAIR—How long have you locked in this \$1 million for?

Mr Riley—Until the end of this year.

Mr Young—The management agreement was negotiated in 2007, and it finishes at the end of this year.

CHAIR—So if you do not get the \$1 million again, what happens then?

Mr Riley—That is why we are turning around the businesses to make them profitable—so that we do not have to rely on it—regardless—

CHAIR—You are going to make \$1 million next year!

Mr Riley—As I said, we are running operational profits.

CHAIR—You have budgeted to make \$1 million out of your businesses.

Mr Riley—We are budgeting so that the money we make through our businesses, and our external funding such as leases, are more than enough to cover our representative and advocacy services. So, yes.

CHAIR—Just so I understand what you are saying, you believe you will be able to operate in the same way you are operating now without the \$1 million next year.

Mr Riley—I see no reason why we could not.

CHAIR—Okay.

Mr Riley—There might be a little bit of improvement we need to make in the operations of the business—and that is a continuing process—but once it is up to shape and reaching its potential, then it should more than cover that, easily.

CHAIR—You also said you have been able to provide the same services and support—I emphasise the words ‘the same’ because they are the words in your submission—that were there previously. Is that right?

Mr Young—That is correct.

CHAIR—So when you say ‘the same’ you mean the same?

Mr Riley—The same. Positions may have changed in title but if a student is appealing an exam result they can still do that.

CHAIR—Let me explain where I am coming from so that you can answer the question appropriately. You may say, ‘We provide student advocacy.’ If you say to me that you do that and that it is the same before because you provide student advocacy, but you now only provide two people in student advocacy instead of 50, I do not see that as the same. I am just trying to understand clearly what your definition of ‘the same’ is.

Mr Young—There were a number of positions in terms of the advocacy department. There was a full-time employment person, there was a full-time education person, there was a full-time post-graduate person, there was a full-time welfare person, there was a full time women’s advocate and a full time queer advocate. A lot of those positions were—

CHAIR—Is that what they call it?

Mr Young—Queer, yes.

CHAIR—Go on.

Mr Young—It was found that those positions were not required to be full time. They were not getting the amount of student inquiries or appointments. So those positions were consolidated from two positions into one full-time position. There has not been a problem with that system.

CHAIR—I am not questioning that; there is always an ongoing need to review all of the services provided and measure that, but I do want to get a picture, because there are some fairly strong statements coming out in your submission saying that it is the same. I want to understand whether ‘the same’ means the same or there are the same types of services but maybe less of them. Are there any other examples that you can give me? Maybe you could take that on notice and give us a comparison of the services that you do.

Mr Young—Okay, not a problem.

CHAIR—You have also said in your submission that the bill threatens the ability of students to freely choose the organisation which they wish to associate with. This is a direct quote from your submission:

This legislation is nothing more than a return to Compulsory Student Unionism by stealth and deception.

Maybe you could explain that a little bit more, because I am not sure where the bill or the guidelines force anyone to join anything.

Mr Young—The bill, as we interpret it, states that the student union in its capacity as a representational body will receive funding to represent students. Is that correct?

Senator HANSON-YOUNG—No.

Mr Riley—It goes from the university to—

Senator CROSSIN—No. The bill does not do that.

Mr Riley—Why on earth would you be talking to student unions if there is no way the student unions would be getting the money out of it?

Senator CROSSIN—Aha!

Mr Riley—I know there is the argument that it could go to the university and the university could take it—

CHAIR—That is what many are complaining about.

Mr Riley—Yes, but the university could take it—

Senator CROSSIN—That is what the students are saying to us that they do not like about the bill. It does not go to—

Mr Riley—It is not clear in the legislation that it cannot go to student unions.

Senator CROSSIN—Correct.

Mr Riley—That is all I am saying. It can, and that—

CHAIR—My question really went to a more specific point on what you are saying about compulsory student unionism. Again, I am just trying to clarify what you are saying because I do not see anything in the bill that makes people join or do anything with any organisation. Perhaps your argument is much broader than that. The reason I ask is that it is obvious to political activists such as yourself that it is a bit of a political cliché to say, ‘It’s a return to compulsory student unionism.’ I am just trying to understand what you actually mean.

Mr Young—If through the national benchmarks there are services that are provided by the student union, not the university, it would be assumed that the student union would get that money, no?

CHAIR—That is a big assumption. What you are really saying—

Mr Young—From our discussions with the university, they do not want to take over a number of services that we offer. They have always said that they do not want to get into the business of representation and advocacy; they would rather the UQ union do it. So our assumption is that we would receive money to do that sort of job. If that money is coming through a compulsory amenities fee, student money is going to an organisation whether they like it or not.

CHAIR—But you understand that that is at the whim of the university?

Mr Young—We do understand that, but—

CHAIR—That they have said that to you now, and that might be true, but there is nothing to stop them changing their minds the day after the bill is passed and saying, ‘Actually, we will get someone else to provide those services.’

Mr Riley—Still, as an increased fee that is not needed—

CHAIR—But would you not mind that? Instead of the student organisation providing the advocacy service, if the university said, ‘Actually, we are going to do that in-house ourselves and pay ourselves an amount of money out of the money collected to do that and we will have some academics do it instead of union representatives or student representatives,’ would you be okay with that?

Mr Young—I have the personal opinion that we have a competitive advantage over the university to offer those services. But if the services were offered by the university, I would not have a problem with it.

CHAIR—But the university does not have to make those decisions based on a competitive tender.

Mr Young—No, but if they recognise that the student union does a better job at it, and I think the way we do it—

CHAIR—That may very well be the issue that they have.

Mr Young—But from our discussions with the university, they do not.

CHAIR—That is the whole point of student representation, isn't it? If you are representing students against somebody and they have the money and the control and say, 'You are damn good at it and it annoys us,' it is pretty easy for them to say that you will not be doing it any more.

Mr Riley—That is the big reason why we want these businesses to run at a profit and the organisation itself to run at a surplus—for if the university decide they want to take our money away. There is already a kind of conflict of interest. If they are giving us \$1 million and we have to speak out against them, we are biting the hand that is feeding us. But if we can run ourselves sustainably then we can provide a better voice on campus because we are independent of what they do.

I do have an issue, even if it is a university controlled thing, if students are getting slugged an additional \$250 to do that. If the university want to run it themselves, they should do it out of their existing funding. The UQ get about \$1 billion a year. Why should they slug students, the vast majority of whom really do not have that much money, for something like that and say, 'It is going to be in your interests; we are going to represent you,' when they have \$1 billion and if they had just one or two fewer end-of-year receptions they could fund that.

CHAIR—But that is the whole argument—whether the taxpayer puts in extra to fund those services or whether there is a proportion of the cost of those services being paid by those who use the services. You can draw that down and say, as has been argued, that only the individuals that actually use the services rather than a class of people should pay. This \$1 million that the university gives you now would surely then be spent on other activities that the university thinks is important rather than on student services.

Mr Riley—It is like throwing a pebble into the surf: it might have a small effect, but it is really not going to do anything significant. They might get an extra \$1 million, but the university turns over \$1 billion each year. I do not think that all of a sudden with this extra \$1 million students are going to say, 'Wow, university is fantastic,' and all of a sudden enrolments are going to skyrocket because of whatever they decide to spend the money on. I think it comes down to the fact that charging students \$250 has a more immediate effect than trying to distort where this money is going to go into or out of or anything like that.

Mr Young—I think there are a number of important points. The first is that there is no evidence to suggest that VSU has had any impact upon retention rates at university. NUS and a few other organisations have said it is devastating for campus culture. Has this actually had an impact on student enrolment numbers? No, there is no evidence to suggest that. The second point I would like to mention is that, if the university were to take over our advocacy and representational services, that is \$2 million that we no longer have to fork out. So we would be

making a lot more money to spend on other things. We still turn over \$15 million, so we would have the capacity to do a lot of other things.

Mr Riley—It also comes down to how you define representation. If you mean representation as having people sitting on university committees, that does not actually cost anything. It is just a student volunteering their time, coming along and saying, ‘If you’re making this change to assessment rules, I think this is bad for students because of reason A, B and C.’ You do not need money to do that; you just need passionate students.

CHAIR—No, there has got to be a process for those students to represent others and speak on those issues.

Senator HANSON-YOUNG—And inform themselves.

Mr Riley—That is why we have union council, whereby students can come along and get involved in the process.

Senator HANSON-YOUNG—But that is resourced.

Mr Riley—Only for the photocopying. No-one gets paid to attend it.

CHAIR—So you are not actually arguing against having a union structure or a student representative structure?

Mr Riley—No.

CHAIR—You are supportive of a union structure.

Mr Riley—Yes. We do not want to crush the union or anything along those sorts of views.

Mr Young—We are also not saying we disagree with a collective organisation. I will use the analogy of a P&C, a parents and citizens committee: its strength is in the enthusiasm of its members, when it represents the interests of parents against the school. They fundraise and they receive voluntary funds. There is no reason why a union cannot do that to facilitate that process of representation. If a student disagrees with the student union—or, in my example, the P&C—they can still make representations by themselves as an individual on behalf of the university, or the school in my example.

CHAIR—I think that is right in many elements, except where you do require people to make a full-time commitment. That needs to be properly remunerated—probably by more than an amount that is less than the minimum wage. I am not sure how you actually get away with that. Obviously, this is not just a problem for you. How does a student union as an employer get away with paying less than the minimum wage?

Mr Young—It is a not-for-profit, voluntary organisation.

CHAIR—That does not make that legal. Just because you are not for profit and voluntary does not allow you to pay people less than the legal minimum wage.

Mr Riley—It is an honorarium that you get paid, which is different to a wage, I think.

Mr Young—If you want to go on campus and explain why student representatives should be paid a hell of a lot more, go ahead and do it, but I am not going to do that!

CHAIR—Well, it is the law. I am surprised to hear you advocating that people should be paid less than the legal amount allowable by law.

Mr Young—I did not advocate it; that is the way the system is. That is how every student organisation does it.

Mr Riley—It is an honorarium, not a wage. That is the distinction, so that is how you get around it. Technically it is less, but—

CHAIR—I see. That is how you get around it.

Senator HANSON-YOUNG—You do not collect a membership fee?

Mr Riley—No.

Senator HANSON-YOUNG—And you do not have members?

Mr Riley—No.

Senator HANSON-YOUNG—So who do you represent?

Mr Riley—Well, we do not have members in that people are not forced to join, but the university recognises that we represent the students of the University of Queensland.

Senator HANSON-YOUNG—All students?

Mr Riley—Yes, it is universal. Anybody can walk in and get an appointment with the queer advocate or something along those lines.

Senator HANSON-YOUNG—It is universal student unionism, then?

Mr Riley—Yes.

Senator HANSON-YOUNG—And that is different to compulsory student unionism, for some reason.

Mr Riley—Because they are not technically members but they are able to use our services.

Mr Young—At UQ there is no member of the union, but every person is entitled to participate in the union if they wish, or not participate if they wish. If they want nothing to do with the union, then they do not communicate to us.

Senator HANSON-YOUNG—This is a change since VSU has come about—is that correct?

Mr Young—That is correct, yes.

Senator HANSON-YOUNG—How do you administer your elections of representatives?

Mr Young—All UQ students are eligible to vote in our elections.

Senator HANSON-YOUNG—So therefore they are all voting members of the organisation.

Mr Riley—They are not members.

Mr Young—They are all students of UQ.

Senator HANSON-YOUNG—So they are all associated with the student union.

Mr Young—No. If they do not want to participate, they do not have to vote.

Senator HANSON-YOUNG—Participating is different?

Mr Young—If they do not want to vote, they do not have to vote.

Senator HANSON-YOUNG—But they all have a right to vote if they want to.

Mr Young—They have a right to vote, yes.

Mr Riley—I see the argument you are trying to make: it is compulsory unionism here because everybody is somehow covered.

Senator HANSON-YOUNG—Everybody is automatically associated simply because of their enrolment, which would be compulsory student unionism.

Mr Young—No, it is not. You do not have to pay a fee; you are not recognised as a member.

Senator HANSON-YOUNG—If your fee is zero—

Mr Riley—Surely for that contract you would need some sort of consideration, which they would not have handed over.

CHAIR—How do they vote? It is an organisational issue which, I must say, I am finding it difficult to come to grips with. You must have rules and there must be structures. No? You are looking at me in a puzzled way.

Mr Young—Rules and structures about how our elections are administered?

CHAIR—Yes.

Mr Young—If you are an enrolled student, you can vote. It is as simple as that. There is no other rule.

Senator CROSSIN—Who runs your organisation, though? Do you have a governing body? How do you two get employed? Who manages your employment?

Mr Riley—We win the election. We get managed by the executive, which we were a part of, and the union council. I am sure you guys will be quite familiar with the sort of thing. Anyone who has had anything to do with union politics—

CHAIR—I do not know. I did not go through it. I have mentioned how I have felt bad as a result many times.

Mr Riley—It is a mini-parliament, to glorify ourselves.

Mr Young—Students are elected, based on their faculty, to a 15-member union council. The union council is the governing body for the union.

Senator HANSON-YOUNG—So they are elected based on their faculty as opposed to across the entire student populace.

Mr Young—Yes. The positions are divided based upon how many students there are. There are seven faculties at UQ, I think. There would be, say, the Faculty of Business, Economics and Law. They have three members on the union council, whereas the Faculty of Natural Resources, Agriculture and Veterinary Science has one, merely because it has a—

Mr Riley—It is a weighted average.

Mr Young—Yes.

Senator HANSON-YOUNG—Okay. Who funds the elections?

Mr Riley—The student union.

Senator HANSON-YOUNG—Okay. If a student is not particularly happy with something that the student union is doing, what is their avenue for advocating to their representatives that they want something changed?

Mr Riley—Ordinary students are all entitled to speak at the union council, so they can come and raise their issues. On top of that, there is also the option of talking to individual office bearers or the president and taking that way to get your line through. That is the main way you solve issues—mostly, anyway, we have found.

Senator HANSON-YOUNG—I still struggle to understand how you can say that you do not have members while you are virtually a member because you are an enrolled student.

Mr Riley—They have the entitlements of a member, but they are not technically a member.

Senator HANSON-YOUNG—How can you be an incorporated body that runs—

Mr Riley—We are unincorporated.

Senator HANSON-YOUNG—You are unincorporated? Are you registered as a company?

Mr Young—Yes.

Senator HANSON-YOUNG—Right.

Mr Young—We have an ABN.

Senator HANSON-YOUNG—NGOs can have ABNs.

Mr Young—Exactly.

Senator HANSON-YOUNG—Okay. If the university decided not to pass on the \$250 that is collected to the student union, how would the student union organise themselves to ensure that that money is being spent where students want it spent?

Mr Riley—It is a pretty big hypothetical, because you would need to understand what sort of process they wanted. We already have a dialogue open with the Vice-Chancellor. The current president, Brandon Carter, is talking with the Vice-Chancellor. I think the best way to solve a problem, rather than wait for that to happen and go and rally or anything like that, is to be involved in the decision-making process beforehand, which is what we are already actively doing; that is why we are speaking to them. If the laws change, how are we going to go about dealing with it? That is a long process, and it is in the early stages.

Mr Young—Ben is an undergraduate representative on the Senate, which is the peak body for the university, so he would obviously make representations on behalf of the union or the students on what should be done. Brandon Carter, the president of the union, is an ex officio member of the Senate, so there are avenues, plus there are all the other committees, like the academic board, the teaching and learning committee et cetera.

Senator HANSON-YOUNG—The way the legislation currently stands—and I think you heard the other witnesses; I think you were here for most of the morning—there is no compulsion, no requirement, no guarantee that any of that money will go to a student organisation on campus. The university may say, ‘We’ll decide to fund this particular program; you run it,’ but it does not necessarily mean the money will go to the student organisation. That is the way the legislation currently stands. I understand the overall position of your union, that it does not want the legislation at all. Let us look at the legislation as it is in front of us. The coalition has more recently decided to block things and not negotiate, but we’re—

Mr Young—Ah, the Greens approach!

Senator HANSON-YOUNG—Really? We are the ones who people negotiate with at the moment.

Mr Young—I prefer not to negotiate with terrorists, but that is all right.

CHAIR—You will withdraw that and you will behave more appropriately in front of a Senate committee.

Mr Young—All right.

CHAIR—It is not funny, Mr Riley. That was inappropriate.

Senator HANSON-YOUNG—Is this legislation, as it stands, acceptable to you in that \$250 will be taken out of a student's pocket and they will not be allowed to have any say in how that money will be spent? Is that acceptable to you?

Mr Riley—I would prefer it go to the union than the university itself.

Senator CROSSIN—No doubt you have read the summary of the consultations, conducted by DEEWR—it is on their website—on the impact of voluntary student unionism on services, amenities and representation for Australian university students, to which there are a number of appendices. Appendix No. 3 outlines a summary of the impacts of VSU. I note that, for example, in Queensland, if you have a look down the table you will see that for James Cook University the number of clubs and societies is halved. There have been closures of legal services and health programs have been abolished. At Southern Cross University, we see the loss of the textbook loan schemes, the loss of the honours scholarship program, reductions of clubs from 25 to five. It is the same sort of story for the Queensland University of Technology: education, services and support for student representatives diminished.

Senator RYAN—I do not know whether the witnesses have the document. I do not know whether it is fair to ask them to comment on a table that they actually do not have.

Senator CROSSIN—I am sure they will be able to answer for themselves.

CHAIR—The point is well made, but the witnesses did refer early in their submission to what other universities had done. So you can answer insofar as you can answer and no more.

Senator CROSSIN—This is a summary of the consultations that were held by DEEWR, the outcome of which is on their website. I assume that you have not only read that summary but also had a look at the appendices. I want to put to you that, of the seven universities listed in this appendix, in Queensland—let's set aside the rest of the country—all of them have a demonstrable reduction in services, facilities and amenities to their students. You put to us that you are different: you are the cherry on the top of the cake and you are doing it pretty well. But why should this legislation not be supported and endorsed to benefit the vast majority of universities which are not doing as well as you purport you are doing?

Mr Riley—For a few reasons. The individual cases could be as a result of poor management to begin with. You will find that, in a culture where a student union gets bailed out, say, with \$1 million a year, regardless of how well those places operate they are going to get continually bailed out. Why would they have an incentive to run well if, when they perform badly, they get

the same reward? It is like going to school and, no matter how hard you study, you get an A. You are not going to put in your top work.

Senator CROSSIN—But you yourselves operated at a loss for the first six months and need a million dollars from the university to prop yourselves up.

Mr Riley—They would not have made hard decisions or started thinking out of the box or using any entrepreneurial spirit. The greatest asset any student union or student organisation has is its students. Companies would die to be able to market to these guys. It is like we were saying with the bands on campus, we have a trussing and let them put up a banner, which pays for the band to play. Ideologically some unions do not like the idea of private money. That is their decision, but if they do not want to advertise private things that is their choice but the choice at which that costs is then for clubs and societies to die. It is not hard. Our diary we made money off. Our big gig we made money off. Our orientation week bags we made money off. Our website where you share notes we make money off. It is a win-win situation. It is good for the union and it is good for students. The thing is we are not getting the ideological side put in. The other point you did not mention is that each of these students are saving hundreds of dollars a year. What are they doing now? Their rent is now cheaper, their textbooks they do not have to worry about because they do not have to pay this fee upfront. That is a good thing. I am for students, that is why I am here. Student unions should be as well.

Mr Young—The final point—

CHAIR—We do have to wrap up and I have let you have a very long final word, and I do not normally let everyone have the final word. We are well over time, so we are going to have to finish. Thank you for your interesting presentation today. Mr Young, I would ask you to reflect on those comments you made earlier. The secretary will speak to you and you may wish to communicate with me later as a consequence. Anyway, we will leave it there. Thank you for your submission.

[2.45 pm]

HODKINSON, Mr Byron, President Australian Liberal Students Federation

CHAIR—I welcome to the inquiry our next witness, from the Australian Liberal Students Federation. We have received your submission. I invite you to make some opening remarks to be followed by questions.

Mr Hodkinson—Thank you. Can I place on the record the ALSF's appreciation to the committee and the secretariat for giving us the opportunity to appear here today.

As the committee would be aware, we oppose this bill in its entirety. I will come to the reasons for such opposition at a later stage, but I feel it is incumbent upon me to make one point relating to the credibility of our evidence vis a vis other organisations that have appeared here today. The ALSF is an independent organisation; it is the only organisation appearing before this inquiry that does not have a financial interest in the outcome of this bill—the only one. This is a critical point, and one that I feel should be taken very seriously by the committee when weighing up all the factors and all the evidence that has been presented to it. Of the organisations that have appeared today, every single one of them will obtain some sort of financial benefit if this bill is passed. The ALSF will not.

We oppose this legislation on many grounds. I will not go through them all—you have them in writing—but I wish to draw the committee's attention to a few key points. The first point is that the compulsory \$250 amenities fee is effectively a poll tax on university students. That is the key issue here. Students will be slugged this amount, or a portion of it, regardless of their income or their ability to use the services that the fees will contribute to. Like any regressive tax, it will hit poor students hardest.

The second point I would stress is that this bill will inevitably result in students funding the political activities of student unions. There is absolutely no doubt about this. Senators Crossin and Hanson-Young queried the authenticity of claims that have been made earlier. The fact is that the National Student Representation and Advocacy Protocols will have the practical effect of this money being passed on to student unions. That is detailed in paragraph 72 of our submission, and I would encourage you to take a closer look. The bill, as it stands, prevents money from going to political parties and candidates in a federal, state or local government election. But what it does not prevent is money going to political causes. In fact, my own organisation is just one that could potentially receive thousands of dollars of student money that has been acquired from compulsory fees. Others would include the Australian Council of Trade Unions or the very many socialist or leftist groups on campus that, by the letter of the law, are not political parties but are in practical terms political causes. Of course, the bill would also not prevent student unions from campaigning on a particular issue or from campaigning against a particular government.

I would suggest that elements of this bill are very similar to the legislation that was enacted by the Kennett government in 1994 in that there were guidelines for what money was permitted to

be spent on. That legislation did not prevent student unions from spending money on political campaigns, and neither will the bill currently before the federal parliament.

My third point is that this bill will increase the size of student help loans—or HECS if you prefer that term—for services that are unrelated in many ways to the pursuit of academic qualifications. Increases in university fees tend to be very unpopular and I know that many current senators, including some who are here today, have in the past campaigned very vigorously against HECS increases, and I would assume that they will do so again. It makes no sense that, at a time when the government is doling out billions of dollars worth of handouts, it is then hitting university students with an annual bill of \$250 million—and with the indexation that will apply that \$250 million will of course increase year upon year. This bill is a kick in the guts for university students.

I would stress, as I mentioned earlier, that the ALSF is void of any financial interests one way or another in the outcome of this legislation but one cannot say the same for the conga line of organisations that have come here today to support the reintroduction of compulsory student unionism.

CHAIR—That was a fine way to finish, Mr Hodkinson, with a quote from a former federal leader!

Senator RYAN—Not a complete quote, Senator Marshall!

CHAIR—No, not a complete quote—but I was scared that there was going to be some originality. For the Australian Young Liberal Students Federation is there any bill that would come before any Senate inquiry that you would have a financial interest in.

Mr Hodkinson—In relation to student unions?

CHAIR—In relation to anything. By nature of being a political organisation I would assume that you would of course have no financial interest in anything that comes before any committee.

Mr Hodkinson—The point I made was that the evidence that has been given by some organisations that appeared today—in fact all of them—does carry baggage in that they have an interest in the legislation being passed. It will increase their bottom lines. There will be no net difference to our bottom line; in fact there will be no change in our cash flow.

CHAIR—I guess I was making the point because you laboured on that point a number of times throughout your submission, but really it is an obvious point. Of course this goes to student funding and what student organisations have done. I just want to clarify that the committee is well aware of the impact the legislation has on different organisations that appear before us and the fact that you had to tell us several times that there was no financial imperative in this bill is nothing that is not obvious to us.

Mr Hodkinson—I am pleased that we are all in unison on that issue.

Senator RYAN—In a number of the submissions—not so much in those today, but in those that have been put on the web site—we have heard of the various claims being made around

popularity or unpopularity amongst students of the voluntary student unionism legislation. Do you have a view on that based on your experiences or are you aware of anything that will support one or other view of that?

Mr Hodkinson—That is a very good question. In fact, the Australian Democrats regularly conduct a youth poll which surveys the views of young people—in fact, mainly university students. That has indicated over the past two years that support for current arrangements—that is, the act as it stands today—is up around 60 per cent. That figure is not a one-off; it is a consistent figure that has been published over the past couple of years. The poll, along with a significant amount of anecdotal evidence that, I think, exists on campus and which the ALSF has become aware of through an online campaign that we have run, together are indicative of significant opposition amongst the silent majority, in many cases, of university students.

CHAIR—Can I just follow up on that. We have been receiving—and I suspect all senators have been receiving—a number of emails. Is that campaign what you are referring to?

Mr Hodkinson—No emails generated by any site operated by the ALSF have gone to the government, so that may be a different campaign.

CHAIR—What is it called?

Senator RYAN—I think the Stop Student Fees site is not from ALSF.

Mr Hodkinson—We have a Stop Student Taxes campaign which is going to a number of senators, but—

Senator RYAN—I have been getting bombarded with—

CHAIR—I was just going to ask, because this morning I had 98 of them. It is not really a bombardment.

Senator RYAN—I am new here, so I—

CHAIR—Anyway, go on. It is not your site. I was going to ask you some questions about that.

Mr Hodkinson—We have a similar site, but it is not the one you speak of.

CHAIR—The problem I was going to ask about I will just put on the record. It is very impressive software, so I was hoping that you would be able to tell me more about it, but it does not actually identify in any way the students apart from their names, so there is no way to verify whether any of the emails are genuine. It does not leave any trail, and it could simply be someone sitting back—

Mr Hodkinson—That is a question you would need to ask the operators of that site.

CHAIR—Yes, that is right. I was hoping you might be able to tell me.

Senator HANSON-YOUNG—You can't respond to them.

Senator RYAN—You have highlighted in your submission a number of concerns about the funding of political campaigns. We have had discussions around a bit of this today and whether money can be passed to student unions. I imagine that you have undertaken some detailed investigations into the impact of this legislation. It strikes me that in proposed section 19-38, as you have highlighted, the ban on the expenditure of student services and amenities fees on political campaigns is highly restricted, in the sense that it is on political parties or the election of a person to a legislature of the Commonwealth, a state or a territory, or indeed a local government body. There is nothing in the advocacy guidelines here, or in the guidelines themselves, that further narrows that down. Is it your view that it is possible—and feel free to outline some more recent examples; I am aware of some in deeper history—that this would free the money that was maybe raised from some of these subsidised activities to be used for campaigns, which I think a previous witness mentioned, to save a lake in another state, to send a bus of students to a protest at Woomera or indeed to run campaigns in state or federal elections, as long as they were not advocating for a specific candidate?

Mr Hodkinson—There are two disallowable instruments. One is a set of guidelines as to what services higher education providers are able to subsidise. That does not include political campaigns or anything of that nature, but what we saw with the Victorian legislation was that student unions would get their hands on that money—and I will come to why it will be student unions that do get their hands on that money again in a moment. What we saw was that student unions would take profits from subsidised services such as a cafeteria or a legal service and those then unregulated profits would essentially be clean money. That clean money would then be used, in turn, to fund political campaigns. So it is essentially money laundering by another name. The guidelines are not an instrument that will prevent political expenditure, despite the absence of political campaigns being an allowed activity as per the guidelines.

The reason I say that student unions will be able to obtain this money is that the representation and advocacy protocols require higher education providers—that is, the universities—to do a number of things. I draw the committee's attention to clause 4 of part 2, which relates to independent advocacy services. If they are not being run by the university, the student union is going to be the most obvious place for that service to be provided. Naturally, I think the practical effect of that particular clause is that money will go from universities to student unions—as well as clause 1 of part 2, in that it enforces an obligation on a higher education provider 'to meet the necessary and reasonable costs of conducting valid and transparent polls for this purpose'. That would essentially mean the funding of elections. If we turn to the legislation, we see that it also mentions the requirements relating to the representation and advocacy of the interests of students. My interpretation of that would be that it leaves it open for higher education providers to then pass money on to student unions, not just to run their elections but also to fund the honorariums of student unions and to fund their activities.

Senator RYAN—So effectively to fund paid office bearers who do more than just what is on the list of activities outlined in those guidelines as part of—

Mr Hodkinson—That is right. But the point I make is that, once that money goes into the hands of student unions, the legislative mechanism which controls what higher education providers can spend money on does not apply to student organisations. So for the list of

allowable services that the minister has published there is actually no legislative mechanism to enforce that on student union expenditure.

Senator RYAN—I refer to the incidents that happened in Victoria under what a number of witnesses have referred to as the Kennett legislation. There was a subsidy for, for example, a catering service which was limited by the act so the university provided it for that service and the university was only allowed to grant money to student unions on the basis of a limited number of services. They were not broken up, but it was a block grant.

Take the revenue from the subsidised service—effectively the money out of the till—that is then used to pay the student office bearers to run the campaigns to Woomera and to run other political campaigns that are not meant to be funded by the amenities and services fee. So that sort of activity would be allowable under this legislation?

Mr Hodkinson—Absolutely.

Senator CROSSIN—So in your view, Mr Hodkinson, you believe that would be allowable?

Mr Hodkinson—I think my interpretation is a very reasonable one.

Senator CROSSIN—All right; thank you for clarifying that.

Senator RYAN—And we have got the department coming later on so we can chase that up with them.

Senator MASON—If I can jump in, Senator Ryan, because I do not want to misunderstand that. So, Mr Hodkinson, you are saying that the proscriptions placed on universities do not apply to union bodies when they get their hands on the money?

Mr Hodkinson—That is correct.

Senator RYAN—This leads to the issue that was being discussed not long ago, which was whether or not universities would hand over money to the student unions, which you have alluded to. My knowledge of the law, at least of that in Victoria, before any legislation of this matter, was that universities were responsible for levying fees and in fact the student unions did not levy amenities and service fees or general service fees, as they were called. It was the university that did so and then it split them up between, say, a student union and a sports union. Is that your understanding as well?

Mr Hodkinson—With the proposed or the current arrangements?

Senator RYAN—As in 20 years ago or even before that. It was generally the university that levied fees.

Mr Hodkinson—I was at university prior to the VSU being introduced and it was always the university that collected that revenue. There is no difference under the proposed arrangements.

Senator RYAN—Can you think of an example—because I know I can't—of where a university levied fees and then decided they would not give them to the student union for this traditional block of student union or guild services? The fees were generally handed over to the sports union, the student union, the guild or the SRC.

Mr Hodkinson—That is correct. I think you will find that typically universities like to pass that money on because essentially it shuts student unions up. Student unions seem to be very vocal minorities with very questionable mandates. In the past—for instance, at the University of Melbourne—student money was once used to purchase an axe to then break into the vice-chancellor's office. I think universities will be very keen to pass that money on to reduce any potential for conflict with student bodies.

Senator RYAN—So student money, as in the amenities and services fee money—the sort of fee that will be charged here—was passed to the student union and presumably the student union broke the conditions as to the money. I am presuming the university did not say, 'Here, go buy an axe to break down the vice-chancellor's door.' The student union did so. Was any sanction applied to the student union in that case?

Mr Hodkinson—No, there was not; not that I am aware of but I am happy to take that on notice because I am not 100 per cent sure.

Senator MASON—Did they get in?

Mr Hodkinson—You would have to check the press clippings.

Senator RYAN—Have you had any experience or are you aware of any experiences—I appreciate that you have only been at university for a few years—of student money being spent in a questionable if not inappropriate manner? That may be a judgment matter. Have you had any experience of going to universities and seeking some sort of redress, sanction or process to prevent student money being misspent on these sorts of things?

Mr Hodkinson—If I can speak a little bit more broadly, quite often an analogy is drawn between student unions and local councils. One critical difference is that student unions are not accountable to any statutory authority. In the case of local government, a local government minister can impose sanctions a local government for spending money in a way that breaches the guidelines. Student guidelines do not have that level of scrutiny. In fact, it would be highly impracticable for there to be a Commonwealth department analysing line by line expense by expense every single dollar that student unions spend.

Senator RYAN—What about the idea that the average student election seems to have 10—or, in deference to Senator Hanson-Young 20—per cent of students voting? Would that characterise most student elections—80 per cent of people not participating?

Mr Hodkinson—That would characterise the overwhelming majority of, if not all, student elections. I would suggest that the figure is closer to 10 per cent. That places questions on the legitimacy of the mandate of student unions to then fund the sorts of activities that we have seen them fund in the past. If you consider that a ticket in a student union election might get say 50 per cent plus one vote of that 10 per cent, that means that they are representing five per cent—

and in some cases less—of the student population. I tend to think of it as, to paraphrase a former Prime Minister, an unrepresentative swill.

CHAIR—You are quoting Labor leaders a lot today.

Senator MASON—I am not sure that I enjoy the context of that one! I really enjoyed your oral evidence. It is an excellent submission; you should be very proud of it. It is an excellent summary of the situation. Senator Ryan covered the areas that I was going to cover. I have one issue, really. You talked about university sport. I do not know if you were here this morning—

Mr Hodkinson—I was not.

Senator MASON—The argument was put that a fee is appropriate so that we can cultivate a greater sporting culture in this country and generate more gold medals and so forth. What do you say to that?

Mr Hodkinson—The idea that students should be taxed \$250 per annum to ensure that Australia's performance at the Olympics is sustained is quite preposterous. It is quite often the case that the beneficiaries of funding going to university sporting funding are non-students and in many cases they are already the recipients of very generous grants from bodies such as the Australian Institute of Sport or its relevant state affiliates. The idea that a university sporting facility requires some sort of compulsory fee to be levied on users and non-users alike to survive is somewhat ridiculous. You do not see a local footy club relying on every resident in that particularly local area having to fund that football club directly. That just goes to show the inadequacies in the argument put by groups such as AUS that you need some sort of compulsory fee on students for university sport to survive.

Senator MASON—Thank you very much. I enjoyed your submission.

Senator CROSSIN—So you are saying that you do not agree with a \$250 fee being paid by students annually?

Mr Hodkinson—That is correct.

Senator CROSSIN—In your submission to the Bradley review, did your organisation not suggest an increase in HECS?

Mr Hodkinson—We suggested removing the caps on domestic Commonwealth supported places. To pre-empt your next question—

CHAIR—Don't—just let it be.

Mr Hodkinson—I apologise.

CHAIR—You can take some satisfaction in the fact that, if it is the question you were pre-empting, you will be right.

Senator CROSSIN—My next question is: you also oppose an increase in Youth Allowance—is that correct?

Mr Hodkinson—No, that is not correct. We made no submission as to the operation of Youth Allowance in the Bradley review.

Senator CROSSIN—So you think it would be okay for students to pay more in HECS, to remove the cap, but you do not think it would be okay for them to contribute to services and amenities at the universities?

Mr Hodkinson—There is a critical distinction here and that is that services and amenities do not directly relate to the primary reason why students are at university, and that is to gain an academic qualification. What we say is that every student who is paying for their degree is obtaining some benefit out of it. They are there to get their degree and that is what they are paying for. What this amenities and services fee does not take into consideration is capacity to use, and that relates back to the analogy I draw with the poll tax. For instance, students who might live out of home and work two or three jobs, and particularly the poor from low socioeconomic backgrounds, typically do not have time to sit around on campus and drink subsidised beer. In fact, it would be them who subsidise the wealthy few who can afford to spend a lot of their social life on university campuses taking in things like trips to a ski lodge, say at Mount Buller, or—

Senator CROSSIN—I live in Darwin so I cannot quite relate to that analogy, but never mind! Isn't the case, though, that with the payment of the \$250, the very people who you are describing may well seek benefits from subsidised health services or, in fact, subsidised food. If they have to earn so much money in order to survive while they go through university, subsidised food might be useful. Or isn't it the case that they are so busy that they may well miss exams or dates for assignments and need advocacy and representation? And wouldn't it be the case that, if you find yourself in that situation, it would be too late to pay a fee, so it is better to have everybody paying that fee and having that service available to them if they need it?

Mr Hodkinson—To address the point you make about subsidised food on campus, the problem with a compulsory fee is that it creates a revenue stream to universities and assorted service providers which is there regardless of the quality of the services that are being provided. They are not responsive to student demands and they are not responsive to the interests and needs of students. It is the perspective of the ALSF that the market is actually the most efficient way of allocating those resources. To provide a constant revenue stream to a cafeteria, say—which may be providing subsidised yet still expensive food, which in many cases is poor quality and in many cases it is a duplicated service of what may operate by private, non-subsidised providers on campus or very close by—essentially means that students are paying for a poor product and they are paying for it twice if they happen to purchase it from there, because they are paying their compulsory fee, or tax, if you like, and then they have to pay per unit of expenditure.

Senator CROSSIN—Given there have been demonstrable examples of decreases in services and provisions at universities since the legislation was enacted some years ago, and I again refer to the DEEWR summary of their consultations and of what they have discovered around universities, isn't it the case that there is a diminished climate out there in universities when it

comes to support for students and that, unless something is done—and we have seen that the VSU is not working in the majority of cases; in fact, it is working in very few places—some sort of legislation needs to be enacted to provide services and support for students?

Mr Hodkinson—It is interesting that you bring up the consultations that were conducted by the department. Our organisation essentially had to beg him to even have a seat at the table. We were rejected on two occasions from being listened to during the consultation process. It was not until a third conversation with the minister's staff that we were able to have our view heard. I think that relate directly to the illegitimacy of those particular consultations.

For students who are in need, of which there are many, it should not be that the poorer segments of society, as in their colleagues and fellow students, who are funding those services which are needed from time to time. It should not be poor students who are slugged with a \$250 tax to go towards those things. Those services exist in many cases on campus and are provided by private providers. I believe some of the evidence which has been given to the committee does not take into consideration the fact that many of these services are already provided by government or the private sector and that they are readily available on campus or, if not, very close by.

CHAIR—We are out of time, so thank you for your presentation to the committee today.

Proceedings suspended from 3.16 pm to 3.31 pm

MANNS, Mr Rod, Branch Manager, Funding and Student Support Branch, Department of Education, Employment and Workplace Relations

VANDERMARK, Ms Catherine, Branch Manager, Higher Education Quality Branch, Department of Education, Employment and Workplace Relations

WHITE, Ms Linda, Branch Manager, Higher Skills Branch, Department of Education, Employment and Workplace Relations

CHAIR—Welcome. Thank you for appearing in Melbourne today. Do you have any opening remarks you wish to make to the committee?

Mr Manns—No, thank you.

CHAIR—All right. We will move straight to questions. I have a couple which go to some of the evidence we took today from foreign student representatives. Do we place any visa restrictions on international students in relation to political-type activity or other activity that might be related to general campus life at universities?

Mr Manns—I am afraid you are well outside of my sphere of competence there. These are matters for the department of immigration, so I am not aware.

CHAIR—It would directly relate back to their ability to undertake the full range of activity. There was some suggestion—and I think Senator Hanson-Young may have referred to this in passing—about the possibility of visa restrictions. If you do not know, I take that, but will you take that on notice and find out for us? I would be interested to know whether there are any restrictions on political involvement particularly and whether there is anything else that might restrict foreign students in relation to campus life that Australian domestic students would enjoy.

Mr Manns—We will do our best to get advice from the immigration department for you.

CHAIR—Thank you. The other issue is the number of deaths of international students. Are you aware of statistics in relation to that?

Mr Manns—No. I cannot help you there either, I am sorry.

CHAIR—Again, I would like you to take that on notice because I think the committee would like to have some information about how the number of deaths relates to the number in the general student population and how those deaths might be described. We understand that foreign students probably have the same chance of being killed in a motor vehicle accident or in situations like that, but we would like some information about suicides or other deaths that might be in some way related to their presence studying at this time, including what was described to us as people being sexually harassed and suicides as a consequence of that. I know that the results of a coroner's report will not necessarily always go to the detail, but I would like you to try to gather any information you can for the committee in relation to deaths and causes. It is not

necessarily something involved with this bill in particular, but I think the committee would take an interest in the welfare of international students in that respect.

Senator MASON—And could we see how that compares with the general student group?

CHAIR—Yes.

Mr Manns—Again, we will do our best to find what we can. I am aware that this inquiry has a very short time before its reporting date. If I understood your comment correctly, even if we are not able to provide it within the next day or so you would still be interested.

CHAIR—Yes. The committee will have an ongoing interest in these matters. Senator Hanson-Young, you may start the technical questions to the department.

Senator HANSON-YOUNG—I have got some questions that hopefully you can help with. A number of the submissions have raised concerns around what type of restrictions there will be. We have heard conflicting evidence today about money that is collected by the university and, in the cases where the university then wants to give that to a student organisation, what that money can be spent on, what it cannot be spent on and then where the level of compliance is for ensuring that the money is spent on the services that the legislation is envisioning it should be. Firstly, can you explain and elaborate on the restrictions themselves, who administers them and who deals with any compliance issues?

Mr Manns—In terms of the use of the fee revenue, the act basically has two heads of provisions really. Firstly, written in to the act itself, as I think you have already touched on in discussion with other witnesses, is the prohibition on the use of the fee revenue for supporting political parties or candidates, effectively for office. The act is quite explicit that that prohibition flows through to any entity to which the university would pay any of the fee revenue. That is in the act to make it absolutely crystal clear that at no time in the future, for example, could any guidelines be made under the act that would allow that sort of use of the fee.

Secondly, as I think you are aware, the act says that the guidelines that will be made under the act, which are a disallowable instrument, will specify, if you like in shorthand, the allowable uses of the fee. The act says that the higher education provider is responsible for complying with those guidelines and effectively says that they must only spend the fee revenue for the purposes that are specified in the guidelines. You will be aware that the minister for youth has put out publicly the proposed list of allowable services, for want of a better word, as a way of informing the university sector, the parliament in its consideration of the bill and the public at large. It is a public announcement.

So it is important to note that that set of provisions constrains the ultimate purpose behind the university spending of the money. Therefore if a university were to pass on the money through a contractual arrangement with any entity, be it a student union or a commercial entity, the university or other higher education provider would retain responsibility for ensuring that the money was spent on the allowable purpose. You can see that the purpose flows through ultimately to the end consumption of the money, for want of a better way of putting it. It does not stop once the university has signed a cheque and handed over. As I have mentioned, the

university or other higher education provider will be responsible and accountable for compliance with both the provisions of the act and the provisions of the guidelines.

The guidelines for matters to do with the fee form part of what are called the quality and accountability requirements of the act. The consequences for breaching those requirements can be, in the case of a provider that receives funding under the act, a requirement to repay some of that funding or to have their funding reduced. In the case of a provider, regardless of whether or not they receive funding, it can result in the revocation of their approval as a higher education provider, which would take them outside of any benefits under this act, including being able to offer FEE-HELP loans to their students under the current arrangements.

The act sets out a set of processes that the minister would need to go through if the minister were contemplating taking such action. Essentially, to give the provider natural justice, they would have to be given the reasons and an opportunity to respond. The act also sets out some matters that the minister would need to consider, including the potential impact of any action the minister was proposing to take on the provider's students and its ability to actually provide higher education. So there is a sense in the act—and I am talking here about the original 2003 act—that the punishment should fit the crime, and the minister is encouraged to consider the impact of any action that would be taken.

In terms of who is responsible for advising the minister on whether a breach has come to light, that would be us, DEEWR. We would potentially do that on the basis of any information that was provided to us by a student or other interested party, or that otherwise came to light. This is a similar sort of process that applies in relation to the existing VSU provisions. In the early stages of the existing provisions there were, from memory, two or three instances where a university—largely through misunderstanding—did breach those requirements, and action was taken to draw that breach to their attention and give them an opportunity to rectify it. In the end, those matters were resolved satisfactorily. That is a similar kind of process that would apply in relation to these provisions.

Added to that, of course, is that an individual student could certainly take up with an institution a concern that they may have about whether they have been charged the right amount or about the institution's use of the funds. The act requires that every institution must have a complaints procedure for dealing with complaints by students, including complaints dealing with non-academic matters.

CHAIR—The normal complaints procedure or a special one?

Mr Manns—A general complaints procedure. That would be the procedure at the institutional level, and I have outlined the arrangements at the government level.

Senator HANSON-YOUNG—How did we come up with the figure of \$250? What is that based on?

Mr Manns—You may be aware that there have been some published figures of the kinds of fees that were charged pre VSU. The government decided that it was appropriate to set a maximum that was somewhat less than the previous VSU average. At the end of the day, it was a judgment based on the kinds of fees that were charged previously and not wanting to return—

and I think Senator Carr made this public statement—to the so-called hefty fees that were charged by some institutions, which were closer to the \$500 or \$600 mark. So it was a balance between what would make a difference in terms of the university's ability to actually provide the services against not wanting to charge students too much.

Senator HANSON-YOUNG—So it is not necessarily based on the government saying, 'These are the essential services that we think need to be delivered and this is what you could do it for'?

Mr Manns—No, there is not that degree of science behind it and, indeed, I think it is important to remember that pre VSU the whole issue of charging of student amenities fees was not a matter in which the Australian government was involved. It was not regulated in any way. There was no framework around what the fees could be used for and how much they were. There was no accountability to government about those matters. There is no history of government being in the books, if you like, of the universities, pre VSU, to know precisely how much each service cost. There is only the information that has been made public through various inquiries and consultations.

Senator HANSON-YOUNG—The minister has spoken about the benchmarks as being the basic levels of services or facilities that each university has to be up to scratch with, regardless of whether or not they decide to charge the \$250. Do we know how many universities are currently at that standard?

Mr Manns—Our general feeling is that most universities would, without having to find lots of extra money, easily be able to comply with those requirements but, to be honest with you, we have not gone around in advance to check exactly that issue. They are somewhat similar to the kinds of requirements that are in place for overseas students under the ESOS National Code, although there are some significant differences because of the different needs of overseas students.

Senator HANSON-YOUNG—If a university campus, whether metro, suburban or rural, does not currently reach that benchmark in standards of facilities and services, how do we ensure that it comes up to scratch without spending any of that \$250 that students are going to have to pay—an amount that is meant to go to services beyond that?

Mr Manns—That is right, and the guidelines will specifically deal with that issue. The consultation draft that the minister has put out does explicitly refer to the fact that the fee can only be used for matters that are over and above what is required by the benchmarks. When we get to writing these in legalistic terms, I am not quite sure whether we will use that phraseology. But that will be the concept.

Senator HANSON-YOUNG—What is the government going to do to ensure that those standards are met on campuses that are not up to scratch? I take on board that you are saying that you believe that most of them would be, but you do not have any forensic evidence where you could give a tick to each university on a campus-by-campus basis. Has the department looked at what the options are to ensure that those standards are met, first and foremost, before this extra fee is taken out of students' pockets?

Mr Manns—Ultimately, what the government is saying is that within the university's resources—putting aside what it may choose to charge as a fee—it will have to find the wherewithal to meet these benchmarks. And that is on the basis that it is the government's view that it is a reasonable expectation that a higher education provider—bearing in mind that these will only apply to the providers that receive government funding for student places—would be able, within its resources, to provide that.

Senator HANSON-YOUNG—Do we have a time frame on when they need to be measured against those benchmarks?

Mr Manns—The compliance with those will become a condition of funding for 2010.

Senator HANSON-YOUNG—In terms of this particular legislation, and regardless of perhaps what amendments may or may not be made, has the department thought about what would be an appropriate way of reviewing the effectiveness of it?

Mr Manns—We may well have thought about it! All I can really say is that the government has made no announcement at this stage about possible review time frames or processes.

Senator HANSON-YOUNG—So at the moment we do not know (a) whether there will be a review; and (b) if there is when it will happen.

Mr Manns—I can only repeat that. The government has not made any announcement on that.

Senator HANSON-YOUNG—Sure. Have you received any feedback from the various university bodies about the time frame for how, if changes are made, they would like to see them rolled out? Keeping in mind that, as I understand it, the legislation talks about 1 July, it is not very far away.

Mr Manns—No, it is not. We have sent out the consultation drafts on the guidelines to all higher education providers. The due date for their response is actually close of business today—just by coincidence. We have not reviewed all of those responses. But I could say that some I have seen do make the point that they do need some degree of certainty to be able to, if they wish, go for a 1 July start date. That is part of the reason why the government is keen to have the bill passed.

Senator HANSON-YOUNG—This is my last question. Is there any reason why this legislation is being dealt with under the Office for Youth as opposed to under the minister for education?

Mr Manns—The bill is actually the minister for education's bill, in a sense. The minister is responsible for administering the act. The guidelines will be made by the minister for education. The minister for youth obviously has as part of her portfolio a strong interest in matters that particularly affect young people. She is simply being charged by the government to take responsibility for initially the consultations and working with the minister for education on this bill.

Senator HANSON-YOUNG—I guess the reason that I ask that is that a lot of the evidence that we have heard today is on the specific needs and requirements of, say, postgraduate students who—although they are students—would not necessarily fit into the youth category. That is interesting. Thank you.

CHAIR—It is clearly the Deputy Prime Minister's bill; hence it is before this committee.

Senator CROSSIN—Mr Manns, just clarify this for me. If I, as a student, do not want to pay the \$250, is that an option?

Mr Manns—Firstly, it is an option for the university to decide whether it wants to impose what is effectively a compulsory fee. If the university decides to impose a compulsory fee then, no, it is not an option for the student not to pay it.

Senator CROSSIN—The university can collect these fees and keep these fees? There is no obligation on them to give these fees or any proportion of these fees to a student association or a student union. Is that correct?

Mr Manns—That is correct. The obligation on the university is to spend the money on providing the allowed services. You will not see in that list of services anything that says 'supporting a student union' or any requirement to do that. There is a provision in the bill, again, which says that in fact guidelines cannot even be made that would require the fee revenue to be passed on to an organisation of students.

CHAIR—Does the money have to be spent on the provision of services to students?

Mr Manns—It can only be spent on one or other of that list of allowable students for services. That is correct.

Senator CROSSIN—Following on from that, you may have a situation where the university collect the fees and decide how they are going to spend the fees—they do not give it to the student union or organisation—and the student union as a collective may disagree with the way those fees are being paid. You could have that situation—is that correct?

Mr Manns—You could. The government has made it clear that it has an expectation that, in deciding matters to do with the fee, the student body generally should be consulted. But ultimately it is, and must be, the higher education provider's decision—because they are the ones bound by this legislation—at the end of the day, and they have to be accountable for that.

CHAIR—It is a thing that interests me a bit. If we have a very clear list of things that it can be spent on, it is still money collected by the students to be spent on their behalf. Without reopening debate about what it should be spent on, let us take it as given that there is a very clear list of things that people generally agree is the only thing the money can be spent on—and let us put to one side the argument about whether it is compulsory unionism and all the rest of it and about representation rights of unions and all that. That leaves just the principle that money is collected from students to be spent on union services and amenities. So it is collected from students for the use of students and there are very strict parameters on what it can be spent on—a definition of what those services and provisions can be. Why can't the students then spend that money? I

guess that is probably a policy question, so it is not an appropriate question for you, is it? I understand a lot of the concerns about where money is being spent; I understand all that history. I have not lived through it, but I have heard a lot of evidence about that. But we need to be very clear on the parameters. It is the students' money. If the university want to spend all the money on a football oval or a ski lodge and collectively—whether it is through all the students collectively having a vote and not being members of a union, however it is decided—the students say, 'That's not the service we want,' and the university says, 'We don't care; it's within the allowable group and that's the service we're going to provide to you,' could they do that regardless of what the students thought.

Mr Manns—Provided they were prepared to be accountable for that decision.

CHAIR—Accountable to whom? That is the point. They are not accountable to anybody. As long as it is on that list of allowable things that they can spend it on, they are not accountable to anybody.

Senator HANSON-YOUNG—Particularly not in terms of prioritising it.

CHAIR—They are clearly not accountable to the students.

Mr Manns—I think that is a matter of opinion. Generally speaking—

CHAIR—Comment only as far as you feel comfortable. I do not want to put you in a difficult position.

Mr Manns—I would make the general point that universities are interested in the welfare of their students, and that is part of the reason why they see benefit in being able to have this additional resource available to them to provide benefit for their students. I am not aware of any public university that goes around blatantly ignoring the fact that it has students who are its primary customers who it has a duty to be responsive to. That is not to say that, on any given occasion, some or all students might disagree with a particular decision of a university. But, as I said, the university does have to be publicly accountable.

CHAIR—What occurs to me is a logical thing is, for instance, the Queensland union model, where people are not necessarily members in the formal sense of being a member of the union, but all students of the union get to have a say in the running of the union and the decisions that are made. There is some accountability structure there, but everyone is in it. It is not about being a member or not being a member. They are all paying the fee and there is a list with parameters about what the money can be spent on. What is wrong with that organisation spending the money? Then they are accountable back to the student—all of them.

Mr Manns—I think you are proposing modelling whereby the Commonwealth would seek to regulate the activities of entities that are not higher education providers. I am not aware of what constitutional power the Commonwealth would have to do that.

CHAIR—But the money would be made available for use on those things within the allowable—

Senator HANSON-YOUNG—The same list.

CHAIR—What are they called—allowable matters?

Mr Manns—I think the model you suggested was one where some third entity other than the university were levying the fees and being responsible for them. This act is about what higher education providers can and cannot do. Can I just make one last comment? This is the model that the government has chosen to implement. If you are asking me to speculate on alternative models—

Mr Manns—I cannot really do that.

CHAIR—I understand that. We are here, having a good look at it. We will not speculate on what we may say. The last point that niggles me is the accountability issue. I am still not clear on what you say about how the universities are accountable for the money that they spend, as long as they spend it within that list of agreed parameters. How are they accountable to anybody?

Mr Manns—Their compliance with those requirements is part of the obligations that this act imposes upon them.

CHAIR—So it is not accountability in the sense that we are actually providing services to the students that they actually want or need. They are only accountable as long as one of those things at least is on the list of things they can spend the money on. So the accountability is back that way. I am talking in a broader sense of accountability.

Mr Manns—They are certainly accountable for meeting that aspect of the protocols, which says that they have to consult with their students on the use of the fee. Again, this bill is about holding accountable entities that the law covers.

CHAIR—That is right. You are here to explain the veracities, not how it may be.

Senator RYAN—I will start with proposed section 19-38 of the bill which deals with the prohibition on expenditure on political activity. We have heard a number of submissions today that that is a relatively clear but at the same time narrow definition of ‘political activity,’ being defined as it is as ‘to support a political party or the election of a person to a state or territory parliament or local government.’ Do you know whether or not that would also exclude money being spent, if the guidelines were changed in the future, on an associated entity of a political party, as defined elsewhere in the law? We have associated entities of political parties.

Mr Manns—I think it is really important to keep looking at that provision alongside of the guidelines.

Senator RYAN—I understand that. This is a provision that no guideline can conflict with.

Mr Manns—Correct.

Senator RYAN—You mentioned earlier in your evidence that, while these are a disallowable instrument, the minister can change guidelines—and I have had some experience with this

before in Victoria—and unless parliament disallows them, they stand. If I drafted one that added something to the guidelines that said, ‘Advocacy, campaigns in the interest of students,’ assuming parliament does not disallow it and that no spending of the money conflicted with proposed section 19-38, that would be allowable, wouldn’t it?

Mr Manns—I think so. Rather than deal with the hypothetical nature of the particular instance—

Senator RYAN—It is an important part of this bill that the minister has a very substantial discretionary power to change these guidelines after the bill is passed.

Senator CROSSIN—It is disallowable, though.

CHAIR—It is an important point, but I do not think you can ask Mr Manns to comment on a specific example.

Senator RYAN—Okay. But the guidelines can be changed as long as there is no conflict with that provision.

Senator CROSSIN—But they still have to come back to the parliament.

Senator RYAN—It takes 39 votes to disallow it. It takes 38 votes to actually prevent a bill being passed.

Senator CROSSIN—They are still disallowable instruments.

Mr Manns—I would simply observe that the same arrangement would apply to an amendment of the legislation itself.

CHAIR—That is true.

Senator RYAN—An amendment requires 39 votes, and so does a disallowance. I suppose that is the point I am trying to make. I am looking at the bill because that is what parliament and this inquiry are asked to judge, not the guidelines, although the guidelines are of assistance. Under this bill, for a student union that is receiving money for a subsidised service which it performs, the trading revenue from that service, whether it be a childcare centre, a cafeteria or something else that student unions trade in—and I think we generally accept that most of these services will be delivered through the traditional form of student organisations, and we have heard a lot about that day—is not restricted by the operation of this bill, is it?

Mr Manns—Again, this bill is about regulating the university’s use of the fee revenue and ensuring that every last cent of that revenue is used for the so-called allowable purposes. The bill does not seek to regulate the activities of other entities. The example you give could equally apply to a commercial caterer that was brought on to campus and was provided a subsidy by the university to reduce its prices. Clearly, this bill would not regulate what that commercial caterer could do with the profit it makes, if any, from that service.

Senator RYAN—But similarly it would not then regulate if that provider was a student union.

Mr Manns—No, it would not, because the bill is about regulating the use of the fee revenue. That is the essential point.

Senator RYAN—I am also interested in the fact that the only means by which this is policed is through the minister having the power of sanction under the Higher Education Funding Act.

Mr Manns—The Higher Education Support Act.

Senator RYAN—Yes, sorry. That was the old one.

Mr Manns—As I have mentioned, there would be opportunities for students to deal within their institution also should they have a grievance about—

Senator RYAN—But that does not empower students to take action; it is only to make a complaint. The only policing of the operation of this bill, and the guidelines promulgated under it, is by the minister.

Mr Manns—The administration of the act is a matter for the minister.

Senator RYAN—You mentioned in your evidence earlier that the sanction available to the minister if this or any other provision of the Higher Education Support Act was breached was to effectively say, ‘That person is no longer an eligible provider.’ Is that the—

Mr Manns—Or, in the case of a provider that is receiving grants, a requirement to repay some or all of that grant money.

Senator RYAN—So the minister does have the capacity not just to take a black and white view and say, ‘You are completely out of the system,’ but to levy a fine or have the requirement that the money be refunded to students or some other provision like that? I am interested: what discretion does the minister have to actually apply a sanction?

Mr Manns—The sanction is at the minister’s discretion. As I mentioned earlier, there are provisions in the act that specify the process that the minister has to go through, essentially based on natural justice, and suggest that the minister should consider certain implications of the proposed action. But there is no sense in which the act itself sets out a graduated or limited range of sanctions.

Senator RYAN—So it is completely within the discretion of the minister subject to the natural justice or process requirements and consideration of other impacts?

Mr Manns—And the general provision that anyone acting under an enactment should act reasonably.

Senator RYAN—I appreciate that. Are you aware of how often over the past five years—or 10 years, if that is easier—the minister has applied such sections to higher education providers?

Mr Manns—There has fortunately been no case in which a sanction has been imposed. I mentioned earlier a couple of what I would like to call transitional glitches that occurred under

the original VSU provisions. They were taken seriously. In one case the minister issued the formal notice that was required under those provisions. The matter was rectified. The general approach of universities, in my experience—and I have been operating under this act for four or more years now—is that they take their obligations seriously.

Senator RYAN—I was interested more generally about breaches of other parts of the Higher Education Support Act. So it does not happen often that the minister has to apply sanctions?

Mr Manns—Or even turn his or her mind to the issue, because the overwhelming experience is that where a breach is identified the universities do their best to fix the problem. In my experience, in the majority of the cases breaches occur by oversight rather than by deliberate action. For example, there were some recent cases brought to our attention under the so-called incidental fee rules under the act—another set of guidelines. Providers are not allowed to charge more than a tuition fee or student contribution, except for a very limited range of things. Some examples were brought to our attention of things that were potentially outside of that. We took those matters up with the providers. They were all resolved satisfactorily. That wanted to comply, essentially, and obviously avoid the risk of a sanction.

Senator RYAN—In the guidelines, which are drafted reasonably broadly—I am going down the subheadings listed (a) to (q)—

Mr Manns—Which of the two sets of guidelines are you referring to?

Senator RYAN—The Student Services and Amenities Fee Guidelines. A couple of things that are listed are legal services, employment and student media. I am particularly interested in legal services. I recall an incident quite a while ago where students held a protest. It reached a degree of violence, the police intervened and several students were arrested and charged. The student union legal services funded their defence or contributed to the funding of their defence. There is no restriction whatever on how these legal services can be used; it is just the provision of legal services, isn't it?

Mr Manns—There is no further specification than is proposed there.

Senator RYAN—Similarly, with student media, as long as the student media—whether it be websites or student newspapers, those probably being more common—there is no restriction on what that may or may not contain, or how they may or may not behave with respect to political activity, other than in section 19-38 of the act.

Mr Manns—You are essentially right.

Senator RYAN—I just want confirmation that I am not missing something.

Mr Manns—The government does not seek to impose what you might refer to as a censorship regime through this—

Senator RYAN—I am not suggesting that—

Mr Manns—Again, I make the point that—

Senator RYAN—I am just putting to you that there are loopholes in this very narrow definition of ‘political activity’. I could produce student media that advocates, ‘Put Kevin Rudd last,’ at the next election, however unlikely that may be coming from a student newspaper. That would not be advocating for a political party nor advocating the election of a specific candidate.

CHAIR—We all agree on One Nation to be last, don’t we?

Senator RYAN—We do. But that would not be a breach of section 19-38.

Mr Manns—I think we are getting into the realm of what one or another person might consider to be appropriate or inappropriate as opposed to what would be allowed or not allowed.

Senator RYAN—I am interested in allowed or not allowed, not appropriate or inappropriate.

CHAIR—It is difficult to ask the officers about specific examples. To ask about the broad concept is quite proper.

Senator RYAN—There are two quick sections that I would like to go to with respect to the consultation.

CHAIR—Sure.

Senator RYAN—One of the common ways universities seem to undertake what might broadly be described as consultations with students is through elections. We heard about elections to university council, university senates or other university committees on which there are student representatives. They cannot be funded under the guidelines from the compulsory fee?

Mr Manns—That is correct.

Senator RYAN—But they could be funded by universities out of other revenues under part 2 of the second set of guidelines, which is the National Student Representation and Advocacy Protocols. Could the university give money to the student union to run elections or whatever consultation process it saw fit?

Mr Manns—The protocols are about ensuring that all enrolled students have the ability to participate in a democratic process for the election of student representatives. If there were a process which was selective in terms of who was able to vote, then that would certainly not the requirements. So if you are talking about any concept of membership being involved, which is potentially exclusionary, then that would certainly not meet the requirements of these protocols.

Senator RYAN—So, if there were still a membership application at Melbourne University Student Union or RMIT and only members were allowed to vote in such consultations or elections, that would not be allowable?

Mr Manns—That is not the kind of, if you like, universal democratic representation that these protocols are about.

Senator RYAN—There is no oversight of any of these processes by the department—or any envisaged—is there? I think we have all read stories over the years of the occasional student election going awry and making the press.

Mr Manns—I do not know what particular case you are referring to, but these are not essentially student union elections; these are elections, which the university has to take responsibility for, for the selection, democratically, of student representatives in which all enrolled students must have the ability to participate. I do not know what example you have in mind but I cannot really comment on how directly comparable it might be to a process run by a university for the purposes of engaging all of its students in a democratic process.

Senator RYAN—But there is not envisaged to be any departmental oversight of those election processes?

Mr Manns—We are not going to set ourselves up as the AEC, no.

CHAIR—This comes back to the point I made earlier. If there is a provision that the universities have to ensure that there is a representative body made up of all students, isn't that saying that there should be someone that money collected from students to be spent on behalf of students should be accountable to? Otherwise, what is the purpose of setting this up?

Mr Manns—The purpose is that there is engagement between the university in the decisions that the university takes that affect its students.

CHAIR—Yes, but it ends there with an election, doesn't it? There is no obligation to listen—

Mr Manns—There is an obligation to listen, yes.

CHAIR—There is an obligation to consult but there is no obligation to do anything more than that.

Mr Manns—I do not know how you could go further unless you actually put the students in charge of the running of the university. Ultimately, the university is in the control of its governing body and its executive, established under its own legislation. I do not know how you could go beyond requiring consultation to the point of saying, effectively, that students have a vote in—

CHAIR—It is collected from the students for the students, a student body is elected from the whole student body, and I just see this disconnection between those three things. That is probably not an issue for you.

Senator RYAN—I have one last topic. Has the department undertaken any work on the additional cost students will bear as a result of this bill? I was particularly interested in the total cost it would add to different cohorts of students' FEE-HELP bills—or HECS, to use the shorthand—with respect to both the cost and the additional time that it takes to pay it back and with respect to what percentage of student income it would represent for students if they paid it up front, so that we can get some sort of handle on what sort of additional burden this represents for the students. I have seen some rough calculations showing that for a three-year degree it will

add nearly \$1,000, with indexation being applied because it is effectively added on to the end of the HECS bill.

Mr Manns—The first point is that what the government is doing in this bill is setting a maximum. So we cannot know in advance—

Senator RYAN—Let's assume that universities throw \$250 straight on—you would not want to stand between one set of state premiers and a bucket of money, and I think universities could be said to be the same!

CHAIR—Come back to the point.

Mr Manns—You will have noted that in the explanatory memorandum for the bill there is a costing provided for the SA-HELP component of the bill, which is effectively the loans, and that is published also in the department's additional estimate statements. Obviously, there are assumptions behind those figures. They are assumptions because they rely on decisions not yet taken, in a sense. But, based on the assumption that all providers will charge the maximum right from day one—right from 1 July, should the bill pass—and that they will all choose to charge part-timers, on average, half—and obviously they may not choose to do that—we do have some estimates of the amount of revenue that providers might receive and also, based again on an assumption that students will access the loan at roughly the same rate that they access HECS-HELP loans, how much would be borrowed. So in relation to domestic students our estimate is that the revenue to providers for the second half of 2009 would be around \$83 million and loans would be to the value of just under \$65 million—

Senator RYAN—Sorry, Mr Manns; I may not have phrased my question correctly. I was actually wondering if you had undertaken any analysis of individual students—what this means for a student who is doing three years at university and how long—

Mr Manns—Not beyond the fairly obvious point that, if it is a maximum of \$250 for a year and a student is doing a three-year degree, the maximum they could face would be \$750. As I say, all of this depends on decisions not yet taken by individual providers, who may choose to charge different categories of students different amounts. We simply do not have an evidence base on which to go beyond those obviously very broadbrush, maximum—

Senator RYAN—But it would be more than \$750, in the sense that the amount is indexed, along with the rest of the HECS debt, and the amount grows according to the time the student takes to pay it off.

Mr Manns—Again, you would have to make detailed assumptions about the likely income profile of an individual student, how quickly they are likely to repay, whether they—

CHAIR—Is that the only way to pay this fee or can you pay it upfront?

Mr Manns—No, it can be paid upfront.

Senator RYAN—And we do not do that with respect to normal students and their normal HELP debts—

Mr Manns—Yes, we do. Yes, a student can pay what is still typically—

Senator RYAN—Sorry; the question I was asking was not the chair's; do you do that sort of modelling for HECS debts generally—before this was applied?

Mr Manns—In the aggregate, because you are really talking very long time horizons. In fact, the Australian Government Actuary does some work in that area for us, but it is based on the total stock of debt rather than individual components.

Senator RYAN—Sure. That is all I have. Thank you very much.

CHAIR—I will just come back briefly—and you can take this on notice—to the international students as well. The assertion that was being made, if I can paraphrase them, was that they are already paying a service fee which is tied up in the general fees that they pay. They were putting the very strong position to us that they will, effectively, be paying this fee twice if it is imposed on them. I do not mind if you want to have a look at their evidence and come back to us with a response—

Mr Manns—I can give you a quick response to that now. The act currently prohibits charging any student, including an overseas student, a compulsory fee for non-academic service.

CHAIR—Okay.

Mr Manns—The act provides that a provider can include within the tuition fee for an overseas student the costs of the provider meeting their obligations under the Education Services for Overseas Students Act. So the cost of providing the things that have to be provided under the national code under that act can be bundled into the tuition fee, but—

CHAIR—Is there any duplication in this bill of things provided in that act?

Mr Manns—Essentially no because, again, the national code is largely about providing access to services rather than providing the services themselves. In the guidelines for the fee, under this bill, we say that in respect of special services for overseas students they have to be over and above what is required under the national code.

CHAIR—So we can be clear by saying that the assertion they were making is not true. They obviously believe that they pay enough already and should not have to pay any more, but that is a different argument.

Mr Manns—That sounds to me to be the right answer, yes.

CHAIR—All right. Thank you for coming to Melbourne and presenting to the committee today. The hearing is now adjourned.

Committee adjourned at 4.25 pm