



Australian Government

**Department of Education,
Science and Training**

**VOLUNTARY STUDENT
UNIONISM TRANSITION FUND
FOR SPORTING AND
RECREATIONAL FACILITIES**

DISCUSSION PAPER

April 2006

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Executive Summary

In December 2005, the Australian Government announced the establishment of a transition fund to assist universities with the construction and maintenance of infrastructure for sporting and recreational facilities to support implementation of voluntary student unionism (VSU). Funding will be available for eligible universities over the period 2007 to 2009.

The transition fund will assist the sector, particularly those parts of the sector with an historical and principal reliance on the compulsory student fees to support their operation, to adjust to the changed funding environment. It will help them to shift from reliance on compulsory fees to other mechanisms.

The transition fund is one of [three initiatives announced](#) following the passing of *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005* (see Section 1.1).

This discussion paper seeks views from universities, relevant organisations within them and the communities within which they are located, on several aspects of the programme including eligibility criteria within the priorities outlined in the paper.

The total funding available for the programme is \$80 million over 3 years (\$40 million in 2007; \$30 million in 2008 and \$10 million in 2009).

The paper proposes that funding be allocated through a competitive selection round or rounds, with institutions submitting proposals which would address one or more of the funding priorities.

Universities that have previously relied primarily on compulsory student fees for constructing and maintaining sporting and recreational facilities will be a priority under the Fund but additional considerations, such as the needs of newer and regional universities where communities have limited access to alternative facilities, could also be taken into account.

Responses to the discussion paper should be submitted to the Department of Education, Science and Training by the close of business, Monday **15 May 2006**. Focus groups will be held with the universities, relevant organisations within them and the communities within which they are located during June 2006.

PART 1 INTRODUCTION

1.1 VOLUNTARY STUDENT UNIONISM

In December 2005, the Australian Government announced the establishment of a transition fund to begin in 2007 to assist universities with the construction and maintenance of infrastructure for sporting and recreational facilities to support implementation of voluntary student unionism (VSU). The Transition Fund will make available \$80 million from 2007 to 2009 (\$40 million in 2007; \$30 million in 2008 and \$10 million in 2009).

The *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005* was passed on 9 December 2005 and received royal assent on 20 December 2005, bringing into existence voluntary student unionism. This Act ensures that Higher Education Providers cannot require a student to be a member of a student association, union or guild. It also ensures that students are not required to pay any fees to a provider or any other entity for the provision of an amenity, facility or service that is not of an academic nature, unless the person has chosen to use the amenity, facility or service.

Compliance with the VSU provisions will be a condition of continued approval as a Higher Education Provider, and a condition of the grants that are made to Higher Education Providers. In the event of an unintentional breach, providers will have an opportunity to return monies that are collected from students within 28 days. There are no penalties if they do so.

In the event of a breach other than an unintentional one, penalties will apply. The non-discretionary grant reduction for a provider which breaches the VSU provisions is a reduction of its amount under the Commonwealth Grant Scheme (CGS) equivalent to \$100 for each allocated CGS student place.

The transition fund is one of [three initiatives announced](#) following the passing of the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005*. As well as the \$80 million over three years for the transition fund, the Government announced:

- access to appropriate financial management and accounting bodies to assist with business plans, asset and financial restructuring, where this may be necessary and is requested; and
- an independent assessment by an organisation chosen by tender, of the economic and other consequence of VSU, no earlier than 18 months after its full implementation.

Higher Education Providers may apply for funding under the Workplace Productivity Programme for the first of the above two initiatives.

The Australian Government recognises that universities which currently rely on compulsory student fees to support sporting and recreational facilities may require some assistance in the short-term to construct and/or maintain the range of non-academic infrastructure needed to remain competitive locally, nationally and internationally.

The transition fund will ensure that the sector can adjust to the changed funding environment by facilitating a shift from reliance on compulsory fees to other mechanisms.

The purpose of this discussion paper is to elicit views on the ways in which the programme might operate. It seeks views on several aspects of the programme including eligibility criteria and priorities for funding.

Responses to the discussion paper should be submitted to the Department of Education, Science and Training by close of business, Monday **15 May 2006** (see Part 6 *Next Steps* for more details on how to respond).

1.2 THE NEED FOR THE ABOLITION OF COMPULSORY UP-FRONT STUDENT UNION FEES

The Australian Government is opposed to compulsory union membership because it hinders freedom of association and forces students to pay for services they may not want. Students should not be forced to join a union, or be a member of an organisation that they do not wish to join, in order to further their education. They should have the right to choose the goods and services they want and the causes and organisations they are prepared to support.

Student organisations will always be free to recruit members and offer services to students. Student organisations which offer services valued by students will continue to attract student membership and funding, but on a voluntary rather than compulsory basis. Many voluntary organisations and co-operatives thrive on the basis of mutual support for agreed objectives.

Nothing in the new legislation prevents universities from deciding what packages of non-academic services to offer their students. The Government is simply requiring that students can choose whether or not to buy these services. Universities and student unions are free to explore any options that might ensure that their non-academic services remain viable, other than charging a compulsory fee or requiring union membership.

While the implementation of voluntary student unionism will involve some transitional issues, the Government believes that universities are well placed to ensure the services that students want can be provided on campus.

PART 2 PROGRAMME DESCRIPTION

2.1 PROGRAMME OBJECTIVES

The transition fund will assist institutions listed in Table A of the *Higher Education Support Act 2003* to adjust to the changed funding environment by facilitating a shift from reliance on compulsory fees for maintenance and construction of sporting and recreation infrastructure to other mechanisms, including:

- Partnerships with the community;
- Working with local businesses;
- Expansion of membership to include other student bodies (e.g. New Apprentices and Technical and Further Education students); and
- Fee for service arrangements.

2.2 KEY PRIORITIES

Priority areas for funding under the programme will focus on measures to overcome transitional barriers to long term viability for sporting and recreational facilities and could include:

- Maintenance or consolidation of sporting facilities in new campuses in suburban growth corridors and regional universities or campuses. Priority will be given to projects which support greater collaboration:
 - Between higher education providers
 - Between higher education providers and vocational education and training providers
 - Between higher education providers, other organisations (such as local government and local sporting groups) and the private sector;
- Infrastructure projects that support the Government's broader sporting objectives of developing sporting excellence and increasing participation in sports by all Australians;
- The rebuilding or restoration of facilities which are of special importance;
- Continue building works that have already started but have not been completed;
- Maintenance or replacement from normal wear and tear e.g. painting, repairs, refurbishment or resurfacing of existing courts/floors and returfing facilities; and
- Upgrading of existing facilities, including provision of ancillary and support facilities, which will encourage improved access for new target groups.

Discussion points:

How will these priorities assist institutions in maintaining and constructing relevant sporting and recreational facilities and are there other relevant priorities that would contribute to the programme's objectives?

Should a priority for the fund be given to maintenance; completion of building works; or new collaborative facility development?

PART 3 FUNDING FOR THE VSU TRANSITION FUND

The funding available for the programme is \$40 million in 2007, \$30 million in 2008 and \$10 million in 2009.

3.1 FUNDING ALLOCATION

The Department proposes that funding be allocated through a competitive selection round or rounds, with institutions submitting proposals which would address one or more of the funding priorities described in Section 2.2.

Applications could outline the project, the sponsors, the cost and nature of the deliverables, the timeframe for the project and performance measures. Reporting requirements would vary from project to project.

All applications must include a plan for financial sustainability over the life of the project, including sinking funds to cover asset replacement. Payments would be made in accordance with the timetable for the deliverables that the institution undertook to deliver as part of the project. The first payments would commence in early 2007.

3.2 FUNDING CYCLE

Three possible approaches are:

- *one three-year funding cycle with six-monthly reporting* – institutions would apply by 31 October 2006. If successful, funding would commence in 2007 with the university required to report on satisfactory progress by 28 February and 31 August in 2007 and 2008 in order to continue to receive funding in 2008 and 2009, respectively.
- *two funding rounds* – in 2006 institutions would apply as above. If successful, funding would flow for 2007 and the first half of 2008. A new cycle would commence from the middle of 2008 and an application for this would be needed by 28 February 2008.
- *annual funding cycle* (three funding rounds).

The Department would report to Parliament on outcomes from the programme through the annual Higher Education Report.

Discussion points:

How would the cycle for funding fit with the cycle for the universities' own capital development planning/asset maintenance programme?

Should the Department's recommendations for funding allocations be limited to \$1 million to \$2 million to ensure that a spread of projects is funded?

Should applications for the transition fund only be sought once (in 2006) or two rounds (held mid-2006 and beginning 2008) or annually?

PART 4 ELIGIBILITY

Grants will be made through the fund to Higher Education Providers listed under Table A of the *Higher Education Support Act 2003* as at 31 December 2005.

Institutions eligible to apply for 2007 funding would need to submit an application by the cut-off date of 15 September 2006. This would be the latest date that allows for assessment and decisions on funding to be completed for payments to commence early in 2007.

PART 5 ASSESSMENT OF PROPOSALS

5.1 ROLES AND RESPONSIBILITIES

The key stakeholders involved in the administration of the VSU transition fund are:

- The Minister for Education, Science and Training, who approves guidelines for the programme and exercises authority to approve the disbursement of funding under the programme; and
- The Collaboration Unit, Teaching, Equity and Collaboration Branch, Higher Education Group, Department of Education, Science and Training which is responsible for the administration of the programme.

5.2 ASSESSMENT CRITERIA

Assessments could be made against the following general criteria which are not necessarily listed in order of importance. This is also the case for the additional assessment criterion, if applicable.

- Demonstrated historic reliance on compulsory student fees to support nominated sport or recreation facility (as opposed to funding from external revenue/sponsorship/external memberships etc.);
- the relevance in relation to the programme's objectives and key priorities in Sections 2.1 and 2.2;
- the feasibility of the project plan, its timescale and resources;
- the degree of financial or in-kind contribution from the proposing higher education provider; the community; local/State/Territory Government; and/or the private sector;
- value for money;
- financial management plan outlining transition to financial sustainability;
- geographic considerations; and
- the Minister's view of priorities for use of the available funds.

The Department will make recommendations to the Minister, who will approve grants and determine the amount of grants funded.

5.2.1. Additional Assessment Criterion

In addition to the criteria above, proposals for the maintenance of facilities must demonstrate that the facilities need to be refurbished to meet ongoing sporting/recreational needs.

Discussion points:

How might universities demonstrate an historic reliance on compulsory student fees to support nominated sport or recreation facility?

PART 6 NEXT STEPS

The Government welcomes responses to this paper addressing the discussion points or any other issues you would like to raise. The purpose of the paper is to facilitate discussion on the ways in which the fund can be developed and implemented.

Responses to the discussion paper are sought by close of business, Monday **15 May 2006**. Focus groups will be held around the country in May/June and feedback from both processes will be taken into consideration in developing the draft programme guidelines. The draft guidelines will be released in July 2006 for comment.

Responses to the discussion paper should be submitted by email to vsu.transition@dest.gov.au or alternatively, they may be posted to:

The VSU Transition Fund Submissions Officer
Collaboration Unit
Loc. 133
Department of Education, Science and Training
GPO Box 9880
Canberra ACT 2601

Enquiries about the paper may be directed to Suzi Hewlett on (02) 6240 8890.

Unless you request that your submission be treated confidentially, submissions may be made publicly available on the DEST website as part of the consultation process. In addition, you may wish to note that because DEST may be required to release your submission by the operation of law, judicial or Parliamentary body or government agency, the Department can give no undertaking that your submission will never be made publicly available.

If you would like your submission to be kept confidential, please indicate this clearly at the top of your document or in a covering note. If only part of your response is confidential, please put that part on a separate page(s).

An electronic version of this discussion paper and other information about the VSU transition fund are available at http://www.dest.gov.au/sectors/higher_education/programmes_funding/programmes_funding_menu.htm

APPENDIX A

Higher Education Support Act 2003 - Table A Higher Education Providers

Central Queensland University
Charles Darwin University
Charles Sturt University
Curtin University of Technology
Deakin University
Edith Cowan University
Griffith University
James Cook University
La Trobe University
Macquarie University
Monash University
Murdoch University
Queensland University of Technology
Royal Melbourne Institute of Technology
Southern Cross University
Swinburne University of Technology
The Australian National University
The Flinders University of South Australia
The University of Adelaide
The University of Melbourne
The University of Queensland
The University of Sydney
The University of Western Australia
University of Ballarat
University of Canberra
University of Newcastle
University of New England
University of New South Wales
University of South Australia
University of Southern Queensland
University of Tasmania
University of Technology, Sydney
University of the Sunshine Coast
University of Western Sydney
University of Wollongong
Victoria University of Technology
Australian Catholic University
Australian Maritime College
Batchelor Institute of Indigenous Tertiary Education