MPA response to MSO Funding review and the KPMG report
April 2013
Background and introduction

The MPA is pleased to receive the KPMG review of the SSAF. Postgraduates have, for a very long time, been unhappy with the fact that most of their SSAF (and prior to that their CAF) went to the undergraduate campus-based student associations (MSOs). For the last 12 years the MPA has lobbied successive VCs and DVCs to have this matter addressed, and this lobbying effort was the main driver for the Vice-Chancellor’s decision to establish the SSAF review.

While there was widespread agreement as far back as 2001 that the SSAF distribution was clearly inequitable, there has been an inexplicable reluctance on the part of senior university administrators to rectify the situation. With the recently announced cuts to higher education, it is even more important to ensure that postgraduate SSAF is directed towards services that are of direct benefit to postgraduates. The MPA works closely with many university units, such as MIGR, in the delivery of programs and support to postgraduates. Most MPA activities funded from the SSAF are highly specialised, with events combining both academic support and social activities. With budgets cuts to university units highly likely to be made over the next two years, it is critical that the university takes genuine steps to distribute the SSAF so that postgraduates are funded at the same rate as undergraduates, rather than simply making a token effort adjustment.

The MPA hope that the final recommendations from this review fully address the concerns of the postgraduate community, and empower the university to make a fair and equitable decision in support of the postgraduate community.

General comments

It is of some concern that the MPA is being asked to comment on the “proposed 2013 additional funding” to MSOs and yet some MSOs have already received 75% of their “proposed additional funding”. This leaves some doubt as to how genuine the consultation process really is. This goes to the heart of a greater problem, which is a lack of transparency around the way in which decisions are made about the distribution of the SSAF.

Please note that this paper focuses on only that 40% of the SSAF which has been allocated for distribution to the student organisations, and not the remaining 60% controlled by the university. So, for example, references to 100% of the SSAF in this paper mean 100% of the 40% SSAF allocation.

All calculations in this paper are based on the student numbers and revenue figures quoted in the KPMG paper.
1. **Understanding the undergraduate student associations’ cohorts**

The report uses student numbers to work out a dollar per head amount to demonstrate differences between student association funding. The undergraduate student associations’ student numbers are measured in two modes: by including and excluding postgraduate numbers, which adds to the confusion and misunderstanding of many administrative university staff around the issue of representation. The authors of the report might have taken this opportunity to clarify the situation, which is well understood and accepted by all the student associations.

To clarify, the MPA represents all postgraduates on all Victorian campuses. The campus-based student associations represent all undergraduates on their respective campuses. Therefore, the campus-based student associations should always have their funding calculated using undergraduate numbers only. This doesn’t make a significant difference to the funding comparisons because the MPA is grossly underfunded no matter which way the calculations are run. However the representation cohorts of each student association need to be clarified for future discussions.

Some of the undergraduate student organisations offer services which are open to postgraduates. *Service delivery is a completely separate matter to representation.* This paper will discuss service delivery in the following sections.
2. **Comparison of funding using SSAF income**

All funding comparisons made by KPMG in the report use only the SSAF revenue. To fully understand the ability of an organisation to fund its operations there needs to be a comparison of the total revenue, including SSAF, interest and dividends from investments, and all other forms of annual income. Table 1 shows a more accurate comparison of how much funding is actually available to each MSO annually to spend per student. A comparison is made between how much funding per student was available in 2012, and how much would be available under the proposed 2013 allocation.

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<thead>
<tr>
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<th>Total revenue allocation per student for each MSO and MPA for 2012 and proposed allocation per student for 2013</th>
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<tbody>
<tr>
<td></td>
<td>2012 $ per head</td>
</tr>
<tr>
<td>MSA</td>
<td>205</td>
</tr>
<tr>
<td>Mon-C</td>
<td>133</td>
</tr>
<tr>
<td>Mon-P</td>
<td>167</td>
</tr>
<tr>
<td>MUBS</td>
<td>193</td>
</tr>
<tr>
<td>MPSA</td>
<td>130</td>
</tr>
<tr>
<td>MPA</td>
<td>43</td>
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Table 1: Total revenue divided by the number of undergraduates for each MSO and the MPA for 2012, and under the proposed funding formula for 2013.

When all 2013 revenue is taken into account, postgraduates are still grossly underfunded at $70 per head, compared to undergraduates at an average of $175 per head. Even without the additional revenue, and taking into account SSAF only as used throughout the KPMG report, under the proposed 2013 allocation postgraduates would be funded at $70 per head and undergraduates at an average of $116.
When the in-kind contribution of space is included in the calculation, the difference in funding between undergraduates and postgraduates is exacerbated, with postgraduates being funded at $83 per head and undergraduates at an average of $242. Table 2 shows the proposed funding distribution for 2013, with the cost of space included in the revenue.

<table>
<thead>
<tr>
<th>MSO</th>
<th>Total Proposed Revenue Allocation per Student (including space)</th>
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<tbody>
<tr>
<td>MSA</td>
<td>289</td>
</tr>
<tr>
<td>MON-C</td>
<td>166</td>
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<tr>
<td>MON-P</td>
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<tr>
<td>MUBS</td>
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<td>MPSA</td>
<td>186</td>
</tr>
<tr>
<td>MPA</td>
<td>83</td>
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Table 2: Total revenue including space in-kind contributions, divided by the number of undergraduates for each MSO and the MPA under the proposed funding formula for 2013.

The MPA appreciates the fact that there has been an effort by the university to address the discrepancy between the funding of undergraduates and the funding of postgraduates, by proposing to substantially increase the MPA’s SSAF allocation. However it is disappointing that after all the effort of conducting and funding an external review, the opportunity was not taken to address the inequity in funding once and for all.
3. Transparency of the postgraduate SSAF

The MPA is pleased to see that the university proposes taking steps to make the distribution of the postgraduate SSAF more transparent. The second most common complaint received by the MPA about the SSAF process is about the lack of transparency in the university’s handling of postgraduate SSAF, (the first being the distribution of postgraduate SSAF to undergraduate organisations).

The basic principle of allocating the postgraduate SSAF to the MPA is good practice. However deciding that 15% of the postgraduate SSAF is to be allocated to the undergraduate organisations for generic services is extremely arbitrary and should not be unilaterally predetermined by the university.

For example, the SSAF has been completely split between undergraduates and postgraduates at Parkville campus for many years. The MPSA receives all the undergraduate SSAF and provides services only to undergraduates, while the PPA, via the MPA, receives all the postgraduate SSAF and provides services only to postgraduates. To suggest that 15% of the Parkville postgraduate SSAF be provided to MPSA would be a huge step backwards in the move towards equity for postgraduates and a great injustice to the PPA.

Another example is Berwick campus, where the MUBS executive noted that nothing they provide is of interest or relevance to postgraduates. They struggle to cater to their own mature-age undergraduate population, given most of their events are pitched to undergraduates in their early 20s. The MPA has discussed with MUBS the possibility of running a joint function for postgraduates and mature-aged undergraduates, to assist MUBS in reaching this sector of their cohort. Here is a clear case of it being appropriate for the MPA to retain 100% of the postgraduate SSAF and to use this to facilitate some joint ventures.

The full 100% of the postgraduate SSAF should be paid to the MPA. The percentage that is paid back to the undergraduate organisations should be decided by the MPA, in consultation with undergraduate service providers, with reference to two points:

1. the number of their services open to postgraduates: and
2. the relevance, value and interest of those services to postgraduates.

The reverse is also true: for the services currently provided by the MPA to undergraduates, that is, the services and support provided to the Honours cohort, the MPA would be required to negotiate with the relevant undergraduate organisation to determine what percentage, if any, should be paid from the undergraduate SSAF to the MPA. The relevant MSO should be in possession of 100% of the undergraduate SSAF going into those negotiations, as they are the representative body for the undergraduates. In the same way, the MPA should be in
possession of 100% of the postgraduate SSAF going into negotiations with MSOs, as the MPA is the representative body for postgraduates.

4. **Exclusion of the Gippsland campus from the report.**

It should be noted that the MPA will continue to provide support services to postgraduates at the Gippsland campus while the campus remains part of Monash University. It is therefore appropriate that the 2013 postgraduate SSAF collected from the Gippsland campus be distributed between the MPA and the local social postgraduate group GAPS.

The MPA has committed, as has the Provost, to continuing to provide support to those HDRs who elect to complete their Monash degree on the Gippsland campus after it has become part of the University of Ballarat. This support will be provided in the same manner as the MPA currently provides support to Monash postgraduates located at off-campus sites.

5. **Future services delivery**

The discussion in the KPMG report around the creation of a centralised service for advocacy and a centralised service for management raises more questions than it provides information. It is difficult to comment on this proposal as it has very few details, nor is it even clear whether or not the model includes or excludes the MPA, as some pages specifically exclude mention of the MPA at all. In any case, the inclusion of the MPA in such a centralised unit would completely disrupt the way in which the MPA services currently operate. Most services are interlinked, with each informing the other. To isolate advocacy, for example, from the central operations of the MPA would reduce the effectiveness of the whole. This is clearly not in the interests of postgraduates.

Given that the MPA already has a successful centralised, cross-campus model, the idea of centralising the undergraduate organisations under a single undergraduate entity sounds, on the face of it, quite sensible. However this has thrice been attempted without success, and on one of those occasions, resulted in what can only be described as a financial and operational calamity for the university, costing millions of dollars and many years to resolve. If the university were to go back for a fourth attempt, it would need to seriously consider and identify the problems with previous structures and ensure that the current model was well thought through.

The other fundamental problem with this model is the automatic assumption that centralising services provides efficiencies. Many of the university services that have been centralised may have been a success in the sense that they have saved the university money at a central level. However in many cases they are not considered successful at a grass roots level by
postgraduate users who value the quality of the services. Even from a financial point of view, it is difficult to see how a centralised unit would provide benefits to students when it is simply adding an extra layer of senior staff, taking funding away from essential services on the ground. In the case of advocacy for example, that funding would be more effectively directed to appoint two additional Student Rights Officers for the undergraduates.

The MPA looks forward to the university’s final recommendations arising from the SSAF review, in light of the issues raised in this paper.