

**Council of Australian Postgraduate Associations  
(CAPA)**

**Submission to the  
Senate Inquiry into New Student Fees  
under the  
*Senate Select Committee on the  
Scrutiny of New Taxes***

November 2010



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Founded in 1979, The Council of Australian Postgraduate Associations (CAPA) is a membership based non-profit organisation. CAPA's main role is in protecting and promoting the interests and needs of Australia's 280,000+ postgraduate students.

CAPA thanks the Senate Select Committee on the Scrutiny of New Taxes for this opportunity to present its view as to the positioning of the proposed *Student Services and Amenities Fee (SSAF)* as a tax. Levying a services fee allows each student to contribute to the ongoing success of the co-curricular experience. CAPA rejects the suggestion that the SSAF is a tax, which is a compulsory payment levied by government to support the activities and infrastructure of some form of political state. The SSAF is quite simply a fee to support the 'non-core' yet essential co-curricular and support services and amenities on Australian university campuses. It is not payable to government, but rather to the higher educational institution in which a student is enrolled for the direct provision of services and amenities to support each student throughout their degree.

CAPA fully supports the right of universities to collect fees for distribution to student-run organisations focused on the Student Services, Amenities, Representation and Advocacy Guidelines ('the Guidelines') detailed in the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010.

CAPA would highlight that the Report on the Senate Inquiry into the *Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009* already found in favour of the Bill. Submissions from higher education stakeholders to the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Fees) Bill*, the so-called Voluntary Student Unionism (VSU) legislation, in 2005 were overwhelmingly opposed to VSU, and those to the 2009 Senate Inquiry were again overwhelmingly in favour of reinstating universities' rights to charge a SSAF.

In 2005, CAPA recorded its strong opposition to the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Fees) Bill* proposed by the then Howard Government. While claiming to support students, the Act has seen a well-documented, marked decline of support for students nationally. This submission examines some of the changes to the student experience that have occurred nationally due to the lack of funding for student services, representation and advocacy.

While CAPA does not agree that the SSAF is a tax, discussions about its reintroduction might be more productive if we assume that it is. If one accepts that the SSAF is indeed a tax on students to pay for non-core but important student services and amenities, it logically follows that it must be scrutinised by democratically elected student representatives to ensure the most appropriate and targeted distribution of the funds to student needs. This submission will therefore focus especially on the need to restore independent student associations to provide advocacy services and representation.

## **Recommendations**

**Recommendation 1:** That the proposed Student Services and Amenities Fee (SSAF) be adopted as a matter of urgency to restore essential revenue for local and national advocacy, welfare, social, sporting and cultural elements of the co-curricular experience.

**Recommendation 2:** That the following subsection be struck from the Bill: “New subsection 19-67(3) prevents the Student Services, Amenities, Representation and Advocacy Guidelines from requiring a provider to fund an organisation of students, or of students and other persons”.

**Recommendation 3:** That the Guidelines be amended to require that all universities across Australia have democratically-elected student representatives, funded in part but not necessarily exclusively by the SSAF, with per head distribution of funds to independent undergraduate and postgraduate student organisations and services.

**Recommendation 4:** That there be increased transparency and reporting on the process of sector consultation for the establishment of Guidelines, Benchmarks, and Protocols for the Bill, and an assurance that democratically elected student representatives will be engaged in the consultation process at all levels and stages of planning and implementation.

## **Background of the Proposed Bill**

In its Submission to the *Senate Inquiry into the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009*, CAPA outlined the context in which the Bill was introduced – as a response to the far-reaching negative consequences of the so-called VSU legislation, which have included decreased student engagement, decreased support services for students, and decreased quality assurance provided by student organisations through independent representation and advocacy.

Between 2008-2010, CAPA made submissions to 14 Government Inquiries and Reviews<sup>1</sup>, playing a critical role in the formation of national policy and legislation relating to postgraduate students and higher education more broadly. Our campus-based members have not only informed CAPA policy through participation at the CAPA Annual Council Meeting and regular member engagement, but have also made many submissions to government where their resources allowed.

As Senators, you appreciate the need for democratically elected representatives to ensure the accountability of service providers, employers, educational providers, etc. You would understand the importance of a legitimate and recognised voice for all, and in particular you understand the need for independent representation – people who can serve without a conflict of interest, which is unavoidable if their funding comes from the very bodies they must lobby for improvements. Since the implementation of VSU, those organisations that have survived have done so almost entirely by receiving funding directly from their universities, and in some cases universities have threatened to or in fact withdrawn funding when student representatives have criticised the institution.<sup>2</sup>

## **Impact on Student Organisations of Loss of Funding**

According to research by the Association of Campus University and TAFE Managers and Australian University Sport, the implementation of so-called VSU resulted in a

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1 To see a complete list of CAPA's submissions to Government, go to:  
<http://www.capa.edu.au/submissions>

2 See the correspondence from Murdoch University Chancellor to the Murdoch Guild as an example of such dangers:  
[http://www.capa.edu.au/submissions/2009/senate\\_inquiry\\_cnaf](http://www.capa.edu.au/submissions/2009/senate_inquiry_cnaf)

\$179 million loss of revenue for universities from the old Amenities and Services Fee (ASF).<sup>3</sup> This stark loss of income meant universities were forced to subsidise the activities and associations reliant on that income from teaching and learning budgets. The need to subsidise from teaching and learning budgets came at the end of a decade of systematic lack of investment in higher education – Australia was the only OECD country to *reduce* public expenditure on higher education in real terms between 1995 and 2004. Less than half of Australia's university funding now comes from the public sector. And in this context, the previous Australian Government legislated against universities' ability to collect a fee to provide essential services, a move without international precedent.

Although CAPA agrees that any fee levied on students should be carefully considered to ensure it is not a barrier to access to higher education for disadvantaged groups, we do not believe that \$250 per year is onerous, and the proposed SA-HELP scheme ensures it will not be. As detailed previously, the so-called VSU has led to a dramatic decline in services and student support staff, as well as many student organisations across campuses. Ironically, in arguing that \$250 per year is too great a burden on disadvantaged groups, we now have a system where students may have no recourse but to seek much more expensive legal assistance when things go wrong given the loss of so many campus advocacy services.

In 2005, many predicted the negative impact the so-called VSU would have. CAPA in particular predicted a disproportionate effect on postgraduate services and representation, and this has proven true.

At some postgraduate organisations these effects will be felt immediately; at others reserve funding may allow them to continue to provide some services in the short term. Student organisations at the older universities are more likely to survive because they have existing facilities and service arms that can generate some income. It is the student organisations at newer and smaller regional universities that are likely to suffer the most. This occurred in Western Australia under VSU where the student organisation at Edith Cowan University completely collapsed.

From CAPA Submission to Inquiry into the provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005<sup>4</sup>

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3 2007, *ibid.*

4 Horton, Stephen. (2005) CAPA Submission to Inquiry into the provisions of the Higher

In 2007, CAPA's report *The Impact of VSU on Postgraduate Students* “revealed a significant decline in services and representation for postgraduates.”<sup>5</sup> To illustrate the immediate and steady decline of student organisations on campuses, in 2005, there were 34 financially solvent campus-based student associations affiliated with CAPA. With the introduction of the VSU legislation, the number of financial members fell to 25 in 2006. In 2007, it was 17. In 2010, CAPA has 21 active affiliates, 14 of whom are able and/or willing to pay affiliation fees. By our accounts, there are at least 7 Australian universities with no postgraduate student representation at all, and only 12 universities still have fully independent postgraduate associations – a further 15 campuses have amalgamated undergraduate and postgraduate student organisations.

### **No Taxation Without Representation**

If the Committee wishes to frame the SSAF as a tax, then it must surely follow the rights inherent to taxation – students pay for democratically elected representatives who work throughout the university system to ensure that their views are presented to the university through a student-owned, student-focused, student organisation. These can operate free from conflicts of interest – unlike if the university is funding the organisations. Students directly see benefits through the changing ways rules, policy, procedures, and guidelines are implemented throughout a University, with noted improvement to minimum resources for students, educational pedagogy, course design and implementation, and other elements of the student experience. Students may partake in sporting, social, and cultural elements that are closely associated with student life on campus, improving the overall student experience. Taxation ensures a regular income support for student services. Taxation is also the investment into a system where you might extract only some or possibly no benefit, but that ultimately provides free, accessible, and useful advice, advocacy, outreach, and representation for all members of the community.

### **Political Affiliations**

CAPA appreciates concerns that student fees might be used to support a political party

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Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005

5 Skinner, S., Chenco, C. & Palmer, N. (2007). *The Impact of VSU on Postgraduate Students*. Council of Australian Postgraduate Associations, Carlton, VIC. [www.capa.edu.au](http://www.capa.edu.au)

or the election of a person to any level of government, and concurs with this restriction.

New subsection (1) prevents a provider from spending an amount paid to them to support a political party or the election of a person as a member of the legislature of the Commonwealth, a State or a Territory, or a local government body.

New subsection (2) requires that, where a higher education provider pays a person or organisation an amount paid to a provider as a student services and amenities fee, the provider must make the payment on condition that none of the payment will be spent by the person or organisation to support a political party or the election of a person as a member of the legislature of the Commonwealth, a State or a Territory, or a local government body.

Historically, most postgraduate associations, including CAPA, have restricted their councils from contributing student money to political parties<sup>6</sup>, whereas Australia's undergraduate student unions have often been overtly party political. In fact, this is one of the many sources of discontent for postgraduate officers in amalgamated student associations, and can make it difficult for postgraduates to gain support for their concerns as they rarely participate in the party politics within student unions.

While not suggesting that individual members of student associations won't or shouldn't have political views and affiliations, CAPA firmly believes that it is not in students' interests to have their representative bodies affiliate with any political party. Members of the councils or committees of postgraduate associations are not elected on the basis of any political party membership, and so have no remit to direct their constituents' money to any parties.

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6 For example, see Section 44 of the Constitution of the University of Melbourne Graduate Student Association, accessible at <http://www.gsa.unimelb.edu.au/policy/index.shtml>, which prohibits the Council from political affiliation. The University of Melbourne Student Union Constitution has no such clause <http://union.unimelb.edu.au/secretariat/constitution>