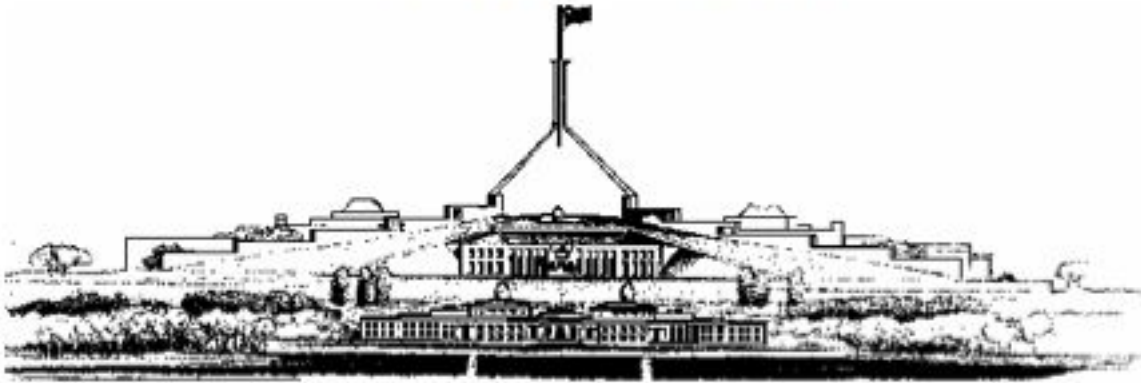




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**HIGHER EDUCATION LEGISLATION**  
**AMENDMENT (STUDENT**  
**SERVICES AND AMENITIES, AND**  
**OTHER MEASURES) BILL 2009**

**Second Reading**

**SPEECH**

**Thursday, 12 March 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Thursday, 12 March 2009  
**Page** 2460  
**Questioner**  
**Speaker** Costello, Peter, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mr COSTELLO** (Higgins) (9.56 am)—I will not be supporting the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009. I congratulate the previous member for his speech but, although it was well argued, I did not find it at all convincing. His entreaties at the end for the opposition to reconsider its position will be largely unsuccessful. I suggest to him that he in fact reconsider his position on this legislation. He also asked me to set out my own experiences and views on student unions, which I am quite happy to do. As a student who went to university in the mid-1970s, I found it was a condition of enrolment to join a student union. Until you had joined the student union and paid the union fee, you were ineligible to enrol. Like every other student who wanted to get an education, I joined the student union. In fact, you actually had to produce evidence that you had done it—a receipt for your fee—before you were admitted to the university. There was no choice about it, so I, like every other student who wanted an education, joined the student union.

I soon became aware, however, that the student unions were thoroughly unrepresentative of student opinion. By and large, they were run by a small minority of students with a very left-wing outlook on life. The student unions were dominated by various communist subfactions and anarchist groups, many of the leaders of which are now members of the Labor Party, having moderated in their old age. As a student leader, I began organising against the left-wing control of both the local student union and the Australian Union of Students. One of the issues that shocked me and shocked student opinion back in those days was the virulent anti-Israel stance that was taken by the left-wing students and the left-wing student unions. In 1975 they passed resolutions saying that the Australian student movement would not recognise the state of Israel, that they would organise boycotts of the state of Israel and that they would not travel to Palestine 'until the Zionist entity is overcome'. That was the position of the compulsory student union, to which we all joined and paid our compulsory fee.

What concerned me in relation to those student unions was that although we were all forced to join them, and we were all forced to pay fees to them, very few students ever voted in student elections—which was how the left was able to capture and maintain control of those organisations. I ran for election myself

in order to oppose the left's control of the student unions, and I was successful. At that time, I thought that, if we were all forced to join these student unions, we should at least all be forced to vote. I believed that compulsory membership and compulsory voting might do something to actually moderate the extremism of these student unions. For a while I actually flirted with, and supported, compulsory voting in student elections. But, in 1978, a student by the name of Robert Clark took a case, which was successful, against the Melbourne university SRC. The Supreme Court found that all of the students, at that university at least, that were being forced into the student union had been forced in illegally—that, in fact, the university had no power to actually require membership of a student union as a condition of enrolment. And so, at that university at least—and it probably would have applied at any other campuses had it been challenged—the university had been unlawfully forcing people into a student organisation and unlawfully extracting money from them.

This raised the whole issue of what should be the principled position in relation to student organisations and student fees. Rather than making membership and voting compulsory, in 1979 I decided that voting should be voluntary and membership should be voluntary. I believed that rather than go down the compulsory path we should go down the voluntary path. The argument that I used then, and believe now, is that a student union is a lobby group. It lobbies the university on behalf of students. It lobbies the government on behalf of students and if you believe in that kind of lobbying activity—and many students do—then you should join it. But, if you do not, there should be no compulsion, just as there should be no compulsion on a returned serviceman to join the RSL. If you believe in the RSL—that it lobbies successfully for conditions for returned servicemen—then join it. Just as the NRMA lobbies on behalf of motorists, if you believe that it is doing a good job, join it and pay the fee. A student union will be lobbying the administration for student services or it might be lobbying the government for increases in Youth Allowance. If you believe that it is doing a good job or you want to support it in doing that, join it. Pay the money. But why should there be compulsory

membership, or a compulsory fee paid, to what is essentially a lobby group?

The only argument that I have heard to try and defend the in-principle position is that a student organisation is somehow like a government. We all have to pay taxes to a government; therefore we all have to pay fees to a student union. I do not think it will take too much persuasion for the House to recognise that a government is qualitatively different to a student union or a student organisation. What characterises a government is sovereignty. The government has sovereignty within its area of constitutional responsibility. And, because it has sovereignty, it has a compulsory taxing power. A compulsory taxing power goes with the sovereignty. But a student union does not exercise sovereignty. It does not exercise sovereignty over people's lives. It does not exercise sovereignty in a particular area of constitutional responsibility. It is a lobby group and, as a lobby group, it ought to be entirely voluntary. We have no choice whether or not to live under the Australian government or a state government, and it exercises a taxing power because it permits us no choice—quite properly. But a student union is not comparable in any material respect, and therefore membership ought to be voluntary. I have no objection to anybody who chooses to join. I would say: 'Good on you. Get involved. If you think you can make a positive contribution, do so.' But why should those students that do not intend to do so, and those students who never go near it, have to pay a fee? Why should they have their choice fettered in that particular way?

I do believe in fee for service—where students want to use a service that is provided by some kind of student organisation. Suppose they want to eat in a cafeteria; then they should pay for the cost of their meals to that student union. Suppose a student union provides sporting facilities and a student wants to use those sporting facilities or to join a sporting club; then they should pay a fee for the use of those sporting facilities or to join that sporting club. But, for the student who chooses not to exercise their right to buy the meal or not to exercise a right to join a club or not to go near the sporting facilities, they are receiving no service and they should not be charged a fee for service. A fee for service, as the phrase implies, is where you pay for the service that you receive. But why should those who do not receive the service—who exercise their freedom not to do so—pay a fee? What this bill is designed to do, of course, is to collect a fee from people who choose not to use a service, or who would otherwise choose not to pay a fee because they do not like the service. It imposes a fee on those who do not value the service or do not think the fee gives them value for that service. It takes away their freedom of choice. It takes away their

power as a consumer. It takes away their right to join, or not join, the lobbying activities.

This is all about extracting fees from people who would not voluntarily choose to pay them. As such, it is most obviously a tax. I do not think there can be any argument other than that this bill is imposing a new tax on students. This parliament is being asked to give universities the power to tax students \$250 a year from 2010 and rising thereafter. I assume that most, if not all, of the universities will impose that tax and they will therefore raise around \$200 million of new taxation from students. Incidentally, the next time you hear the Labor Party say, 'We are worried about the debt levels of students,' just remember that the Labor Party is authorising a new tax on those students. Thankfully, we may say, they can add it to their HECS liabilities. So let us just remember that this parliament is being asked to authorise universities to impose a new tax which can be added to HECS-type liabilities of students throughout Australia.

Let me make this point: this new tax which is being imposed on students is entirely in breach of the ALP's promises before the election. As the Parliamentary Library reports in its *Bills Digest*:

In the ALP's white paper on education, shadow spokesperson, Jenny Macklin, proposed that the provision and funding of services would be formulated through ... negotiations ... and that 'the financial imposition on students will not increase'.

Well, the financial imposition on students will increase. It will increase for every student enrolled at a university that takes up the taxing power of \$250.

Stephen Smith, following the ALP national conference in May 2007, said:

The funding of those services has been a matter of conversation between me and the Universities. I believe that the Commonwealth, the Government of the day, has a responsibility, together with the Universities, to fund those services ...

Who did he say would be funding it? He said it would be the Commonwealth together with the universities. There was no suggestion that there was going to be a compulsory tax and that the students would pay. In fact, Macklin explicitly promised that 'the financial imposition on students will not increase'. We are hearing a lot about mandates in this parliament at the moment. I think the Labor Party won a mandate to not increase liabilities on students. And since the Labor Party is into the business of claiming mandates, where is its mandate for a new \$250 tax on students? This is a breach of the promise that was made before the election. This is without any authorisation from the

electorate. This is a new tax on students and it is forcing people to subsidise services that they do not want.

The government would have you believe that none of this money can be used for political purposes because it bans the use of this money being given to political parties or in campaigns to seek political office. How naive is that? You cannot give it directly to the Australian Labor Party, but can you give it to the Australian Labor Party supporters club at the university?

**Ms Rishworth**—No. You can't.

**Mr COSTELLO**—You can't. That is banned, is it? It cannot be given to the Australian Liberal Students Federation, which is a club at the university?

**Ms Plibersek**—Who'd want to?

**Mr COSTELLO**—Is that banned too? I think you ought to read the legislation very carefully. You will be getting up for the next speech, no doubt, Member for Kingston, and will take us to the section which prohibits any money being given to a student club on campus, I presume. You have alleged that it is banned. It is not. The ban is in relation to candidates sitting in political office or gifts to political parties.

What about the AUS resolution of 1975 to campaign against the Zionist aggressor? Would money be forbidden for use in that campaign? No, of course it would not. Would it be forbidden, for example, to organise a student demonstration against a G20 conference in Melbourne? We read in the papers today that the Prime Minister is going to go off to the G20 with his plan to save the world. Many people will remember that the G20 held its 2006 meeting in Melbourne. I was the chair of the G20 at the time, and an organisation known as Stop G20 was formed. It had its training days at the RMIT Student Union. It drew its activists from universities both in Sydney and in Melbourne. It engaged in violent demonstrations in the street against the G20, I know not why. In the course of those violent protests, Constable Kim Dixon of the Victoria Police was hit by a barricade thrown by student activist Julia Dehm. Constable Kim Dixon has subsequently had to retire from the Victoria Police force and Julia Dehm has been convicted and given a community service order. Another student on charges is awaiting trial: a man by the name of Akin Sari, who smashed a police vehicle. The student unions have given money to fund his defence.

I ask this question: is there anything in this bill that would prohibit the compulsory taxes levied on students being given in legal aid to demonstrators who demonstrate against the G20 or go to political demonstrations? Of course there is not. So it is quite

feasible that these compulsory fees collected by way of a tax, which will be used for student services, which will be used for legal aid and which will be used for training days, could be used for demonstrations against the G20—where policewomen doing their duty are injured and where public property is vandalised. It is quite feasible. There is nothing at all in this legislation that could stop that. It does not even make a pretence of trying to stop that kind of activity, because, at the bottom of it, this is all about imposing a new tax to try and provide services for which people would not ordinarily want to pay.

The Howard government did actually provide some money after it brought in voluntary student unionism to provide, particularly in rural campuses, sporting facilities and activities. There is no reason at all why this government, if it really believed this was absolutely essential to education, could not provide finance for limited non-political services. The Howard government provided \$100 million. If this government says, 'Well, we are being careful with taxpayers' money', my view would be that it is a little late for the Labor Party to start getting worried about taxpayers' money now. They have actually spent \$52 billion in new discretionary spending since the budget. They have actually authorised \$200 billion of new borrowings. After the Howard government got out of a net debt of \$96 billion, it has all been re-borrowed in the last 12 months.

I would think of the taxpayers, but I would have thought of the taxpayers a little earlier than this legislation. Poor old Mr Tanner is lying awake at night worrying about the debt. The funny thing is that he did not have to lie awake and worry about the debt when he was elected. It is only since he was elected that the debt has been re-borrowed. Maybe he should have had a few sleepless nights before he borrowed it rather than after he borrowed it.

This is a new tax. It is a compulsory tax. It does not prohibit political activity, and it should not be introduced. The Labor Party does not have a mandate for it; it is in breach of assurances which they gave before the election and it should be defeated.