

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 SUPPLEMENTARY BUDGET ESTIMATES HEARING

**Outcome:** 2

**Output Group:** 2.4 - Funding for higher education

#### **DEST Question No. E681\_04**

Senator Stott Despoja asked on 6 November 2003

#### **Question:**

- (a) Are you aware of any plans or discussions taking place to either continue the scheme, or re-introduce something similar?
- (b) Is the Government aware that the net effect of the discontinuation of the scheme is that students will have to pay GST on top of the cost of this education expense?
- (c) Is the Government aware that, in effect, all things being equal, the price students have to pay for the textbook will be about 8.5% higher if the scheme is discontinued?
- (d) Doesn't this seem to contradict the general Government policy, that Education should be free of GST?

#### **Answer:**

##### *Book subsidy scheme*

- (a) & (d) The scheme was introduced in July 2000, as part of the \$240 million Book Industry Assistance Plan to alleviate the impact of the GST on the cost of educational textbooks and was legislated for a period of four years. Funding has not been provided for in the Budget beyond that date. Whilst it is generally accepted that education is GST free, there are a number of items such as school uniforms, stationery etc where GST is charged.
- (b) & (c) The 8 per cent discount at point of purchase for booksellers participating in the scheme will be removed upon the discontinuation of the scheme.