

Chapter 1

Background

1.1 On 30 September 2010 the Senate appointed the Select Committee on the Scrutiny of New Taxes to inquire into and report on the following matters:

- (a) new taxes proposed for Australia, including:
 - (i) the minerals resource rent tax and expanded petroleum resource rent tax,
 - (ii) a carbon tax, or any other mechanism to put a price on carbon, and
 - (iii) any other new taxes proposed by Government, including significant changes to existing tax arrangements;
- (b) the short and long term impact of those new taxes on the economy, industry, trade, jobs, investment, the cost of living, electricity prices and the Federation;
- (c) estimated revenue from those new taxes and any related spending commitments;
- (d) the likely effectiveness of these taxes and related policies in achieving their stated policy objectives;
- (e) any administrative implementation issues at a Commonwealth, state and territory level;
- (f) an international comparison of relevant taxation arrangements;
- (g) alternatives to any proposed new taxes, including direct action alternatives; and
- (h) any other related matter.

1.2 Under these terms of reference, particularly term of reference (h), the committee resolved to inquire into the government's proposal to allow higher education providers to charge a compulsory student services and amenities fee. Legislation to implement this proposal has now been introduced into the Parliament on three occasions.

Conduct of the inquiry

1.3 The committee advertised the inquiry in *The Australian* and on the committee's website. It also wrote to stakeholders inviting them to make written submissions. The committee received 59 submissions in relation to the inquiry. A list of these submissions is provided in Appendix 1.

1.4 The committee held a public hearing in Canberra on 9 December 2010 where it took evidence from the National Union of Students, Australian Liberal Students'

Federation, and Universities Australia. A list of the witnesses appearing at the hearing is provided in Appendix 2.

1.5 The committee would like to thank all those who participated in the inquiry.

Overview of submissions

1.6 As noted above, the committee received 59 submissions. A brief overview of the submissions is provided below:

- 30 submissions from universities, student and sports organisations and unions (27 generally supportive of the bill; 3 generally opposed to the bill)
- 28 submissions from individuals (3 generally supportive of the bill; 25 generally opposed to the bill)
- 1 submission from the Department of Education, Employment and Workplace Relations

Previous bills

1.7 The government first introduced legislation seeking to allow universities to charge a compulsory student services and amenities fee in the House of Representatives on 11 February 2009. This bill, the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009, was subject to a report of the Senate Standing Committee on Education, Employment and Workplace Relations. The committee tabled its report on 10 March 2009. The Government senators' majority report supported the bill, while Coalition senators recommended that the bill be rejected.¹

1.8 The bill was eventually negatived in the Senate at the third reading on 18 August 2009.

1.9 The government subsequently introduced a new bill into the House on 9 September 2009 – the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2009 – in a renewed attempt to gain Senate support for its proposal. While the bill passed the House on 26 November 2009, it remained under consideration by the Senate at the conclusion of the 42nd Parliament and therefore lapsed immediately before the commencement of the 43rd Parliament.

The current bill

1.10 On the second sitting day of the new Parliament (29 September 2010), the government introduced the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010 into the House of Representatives. The House

1 Senate Standing Committee on Education, Employment and Workplace Relations, *Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009 [Provisions]*, March 2009.

Standing Committee on Education and Employment tabled an advisory report on the bill on 15 November 2010. As with the previous Senate report, the Government majority report supported passage of the bill, while the Coalition members' dissenting report recommended that the bill be rejected.²

1.11 The bill passed the House of Representatives on 18 November 2010. It was introduced in the Senate on 22 November 2010 where it remains under consideration.

1.12 The bill seeks to amend the *Higher Education Support Act 2003* to allow higher education providers to charge a compulsory student services and amenities fee. The fee is to be capped at \$250 per student per annum (indexed to \$254 in 2011, and thereafter indexed annually). The bill provides for the establishment of a new component of the Higher Education Loan Program (HELP): Services and Amenities-HELP (SA-HELP), which will provide eligible students with an option to access a loan for the fee through SA-HELP if they wish. In addition, the bill would require higher education providers that receive funding for student places under the Commonwealth Grant Scheme to comply with new benchmarks from 2011 onwards, for the provision of information on and access to basic student support services of a non-academic nature; and requirements to ensure the provision of student representation and advocacy.³

2 House of Representatives Standing Committee on Education and Employment, *Advisory report on the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010*, November 2010.

3 Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010, *Explanatory Memorandum*, p. 2.

