



Minister for Education

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Ms Siobhan Leyne
The Committee Secretary
House of Representatives Standing Committee on Education and Employment

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Dear Ms Leyne

INQUIRY INTO EDUCATION SERVICES FOR OVERSEAS STUDENTS (ESOS) AMENDMENT BILLS

I refer to your recent call for submissions to the inquiry by the House of Representatives Standing Committee on Education and Employment into the *Education Services for Overseas Students Amendment Bills* (the ESOS Amendment Bills), introduced to the House on 22 September 2011.

The following sets out the Western Australian Government's submission to the Inquiry. It addresses two areas of the ESOS Amendment Bills, namely:

1. the establishment of a new tuition protection service; and
2. provider obligations to notify in the case of a student default.

Tuition Protection Service (TPS)

In regard to the provision in the ESOS Amendment Bills for a new TPS, the Western Australian Government supports:

- the establishment of a strengthened TPS as a single layer of tuition protection for international students in Australia as recommended by the Baird Review;
- the funding of the TPS by providers – by means of an annual TPS Levy; and
- the principal that the level of contribution a provider is required to make to the TPS be based on risk.

The proposed TPS Levy is comprised of four-tiers: an *administrative fee*, a *base fee*, a *risk rated fee* and a *special levy*. The Baird Review recommended that the cost of being a member of the TPS should be risk based “to ensure good providers are not penalised and higher risk providers pay the cost for the risk they present to the sector (p. 63). In considering the application of the various tiers of the TPS Levy, it is the Western Australian Government's view that the majority of funds for the TPS should be generated from the *risk rated fee* component.

Consistent with the Western Australian Government's submission to the Baird Review of the ESOS Act in 2010, the State does not support the requirement for State TAFE colleges and government schools to contribute to the funding of the TPS.

International students enrolled at State TAFE colleges and government schools are protected by a Western Australian Government guarantee. They pose no risk of default either financially or in course delivery and assessment. Put simply, in terms of tuition protection there is zero risk for students studying at State TAFE colleges and government schools in Western Australia.

On this basis it is the Western Australian Government's view that State TAFE colleges and government schools should be exempt from contributing to any aspect of the TPS Levy as outlined in the ESOS Amendment Bills.

Provider notification of student default

Under proposed section 47A of the ESOS Amendment Bills a student is defined as having defaulted if their course starts at the specified location on the agreed starting day, but the student does not start the course on that day (and has not previously withdrawn). In this scenario, proposed section 47C of the ESOS Amendment Bill specifies that a provider must provide notification of this default within 24 hours of the default occurring.

In practical terms this requirement may be too restrictive for many schools to meet. Feedback from the schools sector in Western Australia indicates that due to delays in visa processing and student travel arrangements, it can take a number of days to clarify when an international student has started a course. The 24 hour reporting requirement may lead to schools unnecessarily over reporting students in default.

It is the view of the Western Australian Government that in the case of an international school student's agreed course starting day, greater flexibility be given to a provider's obligation to notify a default.

It is proposed that the 24 hour reporting period for provider defaults in the ESOS Amendment Bills be extended to a period of 14 days.

I trust that this submission will inform the outcomes of the Inquiry.

Yours sincerely

Dr Elizabeth Constable MLA
MINISTER FOR EDUCATION

24 OCT 2011