

EDUCATION, SCIENCE AND TRAINING

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

Outcome: 3
Output Group: 3.3 – AEI Group

DEST Question No. E174_04

Senator Carr tabled on 5 June 2003

Question:

- (a) Is there a shakeout in the international education industry, as seems highly likely given the international situation, and if a number – even a large number – of private providers go to the wall, will the Commonwealth be liable for the cost of entitlements of the employees of these providers?
- (b) Has the Commonwealth made any estimate of the possible cost of such payouts?
- (c) What assumptions underlie any such estimates?
- (d) Have there been discussions with the Department of Employment and Workplace Relations?

Answer:

Commonwealth liability for entitlements of employees of collapsed providers

- (a) Early data for 2003 (to May) shows consistent growth in enrolments against the same period in 2002. The enrolment pattern is also consistent with 2002 enrolments, that is, peaks and troughs in 2003 track the path of enrolments from 2002. This evidence would suggest there has been no shakeout in the industry to date.
In the event of provider closures, any affected employees may be eligible to claim certain entitlements under the General Employee Entitlements and Redundancy Scheme administered by the Department of Employment and Workplace Relations.
- (b) This Department has not made any such estimate.
- (c) See (b) above.
- (d) There have not been specific discussions between our two Departments about registered providers under the *Education Services for Overseas Students Act 2000* regarding the General Employee Entitlements and Redundancy Scheme. Employees of registered providers would be treated under this Scheme in the same way as any other applicants.