



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

COMMITTEES

Education and Employment Committee

Report

SPEECH

Tuesday, 1 November 2011

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Ms RISHWORTH

Source House
Proof Yes
Responder
Question No.

(Kingston) (NaN.NaN pm)

Ms RISHWORTH (Kingston) (16:47): On behalf of the Standing Committee on Education and Employment, I present the committee's report entitled *Advisory report on bills referred on 22 September 2011*, together with the minutes of proceedings and evidence received by the committee. I ask leave of the House to make a short statement in connection with this report.

Leave granted.

Ms RISHWORTH: On 22 September 2011, the House Selection Committee referred four bills to the Standing Committee on Education and Employment for inquiry and report. Three of the bills propose measures that relate to reforming the regulation of education services to overseas students, or ESOS, and the fourth amends the Higher Education Support Act 2003.

The inquiry received 22 submissions, 20 of which were from public and private service providers and their representative bodies. The concerns of industry were so clearly demarcated and defined in the submissions that the committee considered it unnecessary to take further evidence from these organisations. The committee followed up on industry concerns by inviting officials from the Department of Education, Employment and Workplace Relations to a public hearing held in Canberra. We are grateful to the organisations and agencies who participated in the inquiry.

The ESOS bills constitute the government's second and final response to the recommendations of a review of education services for overseas students that was conducted by Bruce Baird, the former member for Cook. The review was initiated by the government as a result of the significant growth in overseas students. It followed closures of service providers that resulted in a loss of fees and education, and a string of violent incidents targeting Indian students which caused considerable reputational damage to Australia's education services for overseas students. The review was released to the public in March 2010.

The prominent features of the ESOS bills are as follows. They set out provider default obligations, establish a single tuition protection service, establish a new TPS governance structure led by a statutory

TPS director, provide for a risk rated premium based on provider risk of default, impose certain obligations on providers in relation to the collection of prepaid fees, and meet record-keeping requirements. Collectively, these measures are designed to provide greater certainty for overseas students which will have consequential improvements on the reputation of Australian providers of education services to these students.

The committee has made five recommendations in relation to the ESOS measures. Two recommendations propose specific amendments to the Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011. While supporting the general thrust of the proposed measures, the vast majority of stakeholders expressed concern at the proposed 24-hour reporting periods for provider and student defaults. The department explained that the requirement was intended to impress on providers the need to immediately report defaults in order to ensure the welfare of overseas students. The committee supports the department's concern for student welfare but believes that a 24-hour reporting requirement imposes an unreasonable burden on providers. The intention of the bills would be served better by legislating a 72-hour reporting requirement.

The committee has made two further recommendations that do not propose amendments to the bills but seek assurances that service providers will be well informed of the detailed implementation of the new tuition protection service arrangements and that the full range of service providers are represented on the proposed tuition protection service advisory board. The committee unanimously supports the passage of the ESOS bills through the House with the recommended amendments.

The Higher Education Support Amendment Bill (No. 2) 2011 was also referred to the committee with the ESOS bills. This bill reduces HECS-HELP discounts for upfront and voluntary repayments and clarifies that Australian citizens are not entitled to Commonwealth support when undertaking a course of study primarily at an overseas campus. The committee unanimously supports the proposed HESA bill in its current form and recommends the House pass these proposed measures.

In closing, I would like to thank my committee colleagues and the secretariat, in particular Glenn Worthington. I commend the report to the House.

(Kingston) (NaN.NaN pm)