(2) Schedule 2, page 16 (after line 11), after item 5, insert:

5A Paragraph 29(1)(a)
Omit “less”, substitute “plus
(aa) the total of the prescribed amounts relating to expenses incurred by the student in connection with the course; less”.

5B Subsection 29(2)
Omit “paragraph (1)(b)”, substitute “paragraphs (1)(aa) and (b)”.

(3) Schedule 2, page 16 (after line 16), after item 6, insert:

6A Section 46
After “course money”, insert “and certain consequential costs”.

HOUSE OF REPRESENTATIVES REASONS FOR DISAGREEING TO THE SENATE AMENDMENTS

Senate Amendments Number 2 and 3

Amendments 2 and 3 propose that the Minister be given the power to define in regulations any consequential expenses that a defaulting provider should pay back to a student in addition to course money. This amendment is not supported because it is not costed and contains no detail about what would be considered as a certain consequential cost. It has the potential to exhaust the capacity of the Assurance Fund and commit the Government to significant taxpayer outlay for expenses not normally considered education-related nor reimbursed to domestic students. Examples of possible consequential costs include: international and domestic travel; accommodation and food; education agent fees; travel and medical insurance; and computers and internet costs.

The ESOS legislation already provides for a generous and comprehensive consumer protection framework which for the main part has worked very well in placing students in an alternative course or refunding their fees in a timely way following provider default. Australia is the only country that offers this level of assurance. Furthermore, students
affected by closures are readily given an extension on their visa without restrictions on working while they await alternative arrangements.

In the context of significant growth and change in the international sector, the adequacy and sustainability of the consumer protection model is currently being looked as part of the ESOS Review and the Government considers that this amendment is more appropriately referred to the Review. Accordingly, the House of Representatives does not accept this amendment.

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B C WRIGHT
Clerk of the House of Representatives

House of Representatives
11 February 2010