

International students on Christmas Island

Started and stopped

- 3.1 Over ten years ago, Christmas Island community groups and residents advised a previous JSCNCET that economic benefits could be realised from the provision of education to fee-paying students from South East Asia.¹
- 3.2 In its 2004 report, the then Committee recommended that the *Education Services for Overseas Students Act 2000* (Cth) (the ESOS Act), which at the time did not extend to the IOT, be amended which would allow the school on Christmas Island to offer educational services to overseas students.² The ESOS Act, which establishes legislative requirements and standards for the regulation of education and training institutions offering courses to international students in Australia on a student visa, was subsequently amended in 2007 to apply to the IOT.³
- 3.3 Mr Alan Thornton, school principal of the Christmas Island District High School for 15 years, appeared in a private capacity before the Committee on the day of his retirement. He noted that the idea of the IOT providing education services for fee-paying students from overseas had been well received, observing that:

1 JSCNCET, *Indian Ocean Territories – Review of the Annual Reports of the Department of Transport and Regional Services and the Department of Environment and Heritage (Australia’s external territories)*, August 2004, p. 22.

2 JSCNCET, *Indian Ocean Territories – Review of the Annual Reports of the Department of Transport and Regional Services and the Department of Environment and Heritage (Australia’s external territories)*, August 2004, p. 22.

3 Australian Government, ComLaw, <http://www.comlaw.gov.au/Details/C2007A00070>

[Christmas Island] being so close to Asia and having a multicultural environment, we [thought we] could get students and do quite well.⁴

- 3.4 Mr Thornton explained how approximately four years ago the Christmas Island District High School, with community backing, had applied for registration to offer courses to international fee-paying students:

So the school went through the process with the state and community backing- and I have a file so thick with information about that. The Government changed the [*Education Services for Overseas Students Act 2000 (Cth)*]⁵ so that the school could become an international school. We went through a process that involved a lot of scrutiny, a lot of applications and a lot of people came and looked at the school. We were finally offered a [Commonwealth Register of Institutions and Courses for Overseas Students] number and we became an international fee-paying school. ... We got our first lot of fee-paying students from Malaysia and Thailand, and it started to take off. We got inquiries from overseas.⁶

- 3.5 Mr Brian Lacy, the IOT Administrator from October 2009 until October 2012, confirmed that the school was formally recognised as an international school.⁷

- 3.6 Mr Thornton explained that although the school had in fact started to receive international fee-paying students, this had been subsequently disallowed. According to Mr Thornton:

A decision was then made by the Department of Infrastructure that we were not to do it anymore.⁸

- 3.7 Mr Thornton told the Committee that the only explanation offered to the school by the Department of Infrastructure and Regional Development (DIRD) was that:

4 Mr Alan Thornton, private capacity, *Committee Hansard*, Christmas Island, 9 April 2015, p. 23.

5 In evidence Mr Thornton referred to CRICOS – the Commonwealth Register of Institutions and Courses for Overseas Students. CRICOS is a searchable database of educational institutions in Australia registered to enrol and deliver education and training services to overseas students. It forms part of the Education Services for Overseas Students legislative framework.

6 Mr Alan Thornton, private capacity, *Committee Hansard*, Christmas Island, 9 April 2015, p. 23.

7 Mr Brian Lacy, *Submission 39*, p. 19.

8 Mr Alan Thornton, private capacity, *Committee Hansard*, Christmas Island, 9 April 2015, p. 23.

... a state government organisation was not allowed to collect money on behalf of the Commonwealth.⁹

- 3.8 Mr Lacy noted the reason offered by Mr Thornton for the cessation of international students at Christmas Island High School but said his understanding was that there were various circumstances at the time that prevailed to thwart operations, including detention centre activities:

It was my understanding that the building and operation of the detention centre was an issue in the plan not proceeding.

The Christmas Island school did run a camp school during my time as Administrator. That ceased as a result of the detention centre activities, which necessitated the school making provision for asylum seeker children and the consequent demand on housing and accommodation for the increased island workforce.¹⁰

- 3.9 Mr Thornton described the community's disappointment at the outcome, particularly in view of all the time and effort put into obtaining registration in the first place and the work that had gone into preparing for the international students' arrival. Mr Thornton observed that the disappointment was widespread in the community, as the school's capacity to host international students had the potential to contribute a range of economic benefits. He explained:

... a number of local businesses were looking at setting up accommodation on the island for students. We had at that stage about five or six study groups coming to the island every year that booked in consistently. We had written a curriculum on Christmas Island's science and ecology that Singapore schools were taking on and using this as part of their curriculum. So, they were sending tour groups of 20-25 kids over and staying for a week. We were using local tour guides ... local accommodation. We were employing a teacher part-time to take those kids out and teach them. It was a good thing for the economy. The northern airline was getting another 25 people on a flight both ways once every couple of months, and it was starting to build up.¹¹

- 3.10 Mr Lacy concurs that education is a potential new field of economic activity on Christmas Island. He stated:

9 Mr Alan Thornton, private capacity, *Committee Hansard*, Christmas Island, 9 April 2015, p. 23.

10 Mr Brian Lacy, *Submission 39*, p. 19.

11 Mr Alan Thornton, private capacity, *Committee Hansard*, Christmas Island, 9 April 2015, p. 23.

On Christmas Island, the education sector is one area in which new economic activity may be initiated in the near term with comparatively little financial investment.¹²

Restarting

- 3.11 On the face of it at least, the 2007 amendment extending the ESOS Act to the IOT, would imply that there was, at least in principle, support for the IOT to have the capacity to host fee-paying students from overseas. Indeed, the submission from DIRD to the current inquiry identifies the potential for the IOT to provide education services:

Given the unique environment on the IOT, there is potential to host visits from schools and tertiary institutions. Education and research in the environment, flora and fauna, tropical health, tropical climates are all areas of focus. The safe and pristine environment, in particular, makes the IOT attractive to schools and younger students.¹³

- 3.12 From the limited evidence provided to the Committee, it is not clear exactly why the Christmas Island District High School was stopped from hosting international fee-paying students, particularly after going through what appears to have been a lengthy and involved approval process.
- 3.13 The Committee sought more information from DIRD to clarify the issue relating to the collection of revenue on behalf of the Commonwealth by a third party, as according to Mr Thornton this was the only reason provided to the School for DIRD's decision to disallow the activity. The response from DIRD states that current and previous legislation, *the Public Governance and Performance and Accountability Act 2013* (PGPA Act) and the *Financial Management and Accountability Act 1997* respectively, 'require obligations on third parties that collect Commonwealth revenue'.¹⁴
- 3.14 Further, the Committee was advised that while the PGPA Act allows for some flexibility in the way that money can be collected, remitted and/or offset, a written requirement is required that outlines the way the third party will handle the revenue.¹⁵ DIRD added that it is currently working with the WA Department of Education to establish a written agreement
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12 Mr Brian Lacy, *Submission 39*, p. 19.

13 Department of Infrastructure and Regional Development, *Submission 36*, p. 5.

14 Department of Infrastructure and Regional Development, *Supplementary submission 36.1*, p. 1.

15 Department of Infrastructure and Regional Development, *Supplementary submission 36.1*, p. 1.

before 1 July 2015 in lieu of a broader Service Delivery Arrangement for education services.¹⁶

- 3.15 In response to a request from the Committee for information on the specific legislation, policy or regulation that would be needed to support the capacity of schools in the IOT to accept fee-paying students from overseas, DIRD replied:

An in- depth review would be required to ensure that no local student is disadvantaged from these potential enrolments; to identify any additional costs in delivery of education services in the Indian Ocean Territories and to consider what changes, if any, would be required to the curriculum.¹⁷

Committee comment

- 3.16 Despite seeking clarification on the matter from DIRD, it is still unclear to the Committee exactly why, after being granted approval under the ESOS legislative framework, permission for the Christmas Island District High School to accept international fee-paying students was then withdrawn soon after.
- 3.17 In the broader policy environment, the Australian Government is strongly committed to supporting the provision of education services for international fee-paying students, promoting this as one of Australia's strongest and most profitable 'exports.' Although there was only a brief period when the school on Christmas Island accepted international fee-paying students, it seems to have been sufficient to demonstrate the potential to contribute to economic diversification and to develop a sense of the possible flow-on benefits for the rest of community.
- 3.18 It would be most unfortunate if the absence of a revenue collecting mechanism was in fact the only reason that the Christmas Island school was prohibited from accepting fee-paying students from overseas. Given the 2007 amendment to the ESOS Act, extending the legislative and regulatory framework to the IOT allowing for registration to accept international fee-paying students, it would seem incongruous, to say the least, if the IOT were then disadvantaged and in practice unable to pursue this option as a result of legislative anomalies or administrative deficiencies.

16 Department of Infrastructure and Regional Development, *Supplementary submission 36.1*, p. 1.

17 Department of Infrastructure and Regional Development, *Supplementary submission 36.1*, p. 1.

- 3.19 The Committee notes that DIRD is continuing to work with the WA Department of Education to develop a written agreement, which may provide an appropriate mechanism for handling of Commonwealth revenue. However, in view of the protracted nature of these negotiations, the Committee considers that DIRD should, as a matter of course, investigate alternative mechanisms for handling of revenue that might be available under the PGPA Act.
- 3.20 The Committee acknowledges the importance of other issues raised by DIRD, in particular the need to consider the impact of hosting international students on local students, possible additional costs and revision to the curriculum. While it is clearly appropriate that due consideration is given to each of these matters, they are presumably not unique to the IOT or insurmountable given that there are hundreds of schools across Australia that are CRICOS listed and able to accept international-fee paying students.
- 3.21 The Committee recommends that the Australian Government, through DIRD as the responsible entity, take action to address any legislative anomalies or administrative deficiencies that could prevent educational institutions in the IOT from hosting international fee-paying students under the existing framework provided by the ESOS Act.
- 3.22 The Committee expects that DIRD will do everything possible to facilitate the capacity of the educational institutions in the IOT to apply for registration to accept international fee-paying students, if this is something that the school and the community want to pursue.

Recommendation 2

The Committee recommends the Department of Infrastructure and Regional Development take action to address any legislative anomalies or administrative deficiencies that may prevent educational institutions in the Indian Ocean Territories from providing educational services to international fee-paying students in accordance with the framework established by the *Education Services for Overseas Students Act 2000* (Cth).