OVERSEAS STUDENTS CHARGE AMENDMENT BILL 1986

Date introduced: 19 August 1986
House: House of Representatives
Presented by: Hon. John Dawkins, M.P., Minister for Trade

DIGEST OF BILL

Purpose

To set the 1987 rate of charge, to extend the charge to cover diplomatic and consular representatives, their staff and dependants and to broaden the charge to cover students at secondary schools and TAFE colleges.

Background

Overseas students attending Australian educational institutions are required to contribute to the cost of their tuition by the Overseas Students Charge Act 1979 (the Principal Act). Currently only overseas students in universities and Colleges of Advanced Education and those in fully Commonwealth funded advanced education courses are required to make the contribution.

As announced in the 1986-87 Budget[1] liability to make a contribution will be extended to cover overseas students at secondary schools and TAFE colleges and to certain categories of students in higher education such as the children of diplomats previously exempted from having to contribute.

Increased charges to apply in 1987 are estimated to yield an addition $7.3 million[2] in revenue after allowing for reduction in overall student numbers compared with 1985-86. In relation to students who commence higher education after 1 January 1986, the charges will recover about 45% of the Commonwealth contribution to annual average per student costs. For students who commenced prior to 1 January 1986, the charge will recover approximately 32% of these costs. Charges for students at TAFE colleges which...
receive Commonwealth funding will be approximately 45% of the Commonwealth contribution to TAFE costs for students commencing after 1 January 1987 and 32% for students who begin their studies prior to 1987. Revenue from both the secondary and tertiary charges is estimated at $50.1 million in 1986-87.[3]

Main Provisions

The definition section of the Principal Act, section 4, will be amended by clause 4. In particular the definition of 'overseas student' will be redefined so as to extend the liability of the charge. Sub-section 8(1) of the Migration Act 1958, which is incorporated by section 4, lists five groups of people who, by the operation of the Principal Act, are exempt from the charge. The groups are:

(a) Commonwealth defence forces on duty in Australia;

(b) diplomatic or consular representatives, trade commissioners, their staff and dependants;

(c) members of a foreign armed force on a ship in an Australian port;

(d) other ships' crews in Australian ports; and

(e) people especially declared by the Minister.

The new definition of 'overseas student' substituted by clause 4 will mean that students falling within these groups and attending high school will continue to be exempted from the charge, while diplomatic or consular representatives, trade commissioners, their staff and dependants who are students at universities or TAFE colleges will no longer be exempted from the charge.

Section 6 of the Principal Act sets the amounts of the charge applicable to various categories of students. Clause 5 will amend section 6 so that the amount payable in 1987 by an overseas student already enrolled in medicine, veterinary science or dentistry in 1985 will be $4100 and, in the case of other university courses $3306. Where the student is enrolling in medicine, veterinary science or dentistry for the first time in 1987 the charge will be $5756, and for other university courses $4916. Students
already enrolled in TAFE courses in 1986 will have to pay $530 for 1987 and those enrolling for the first time in 1987 will have to pay $740. The charge for overseas students at high school will be a flat rate of $300. Students who are also liable to pay the higher education administration charge (refer to the States Grants (Tertiary Education Assistance) Amendment Bill (No. 2) 1986 - Digest No. 86/114) will have their overseas student charge reduced by the amount of the administration charge (proposed sub-section 6(6)).

The Governor-General will be able to make regulations not inconsistent with the Bill and in particular the regulations may provide for reductions in the amount of the charge imposed in specific cases (clause 6 which will substitute a new section 8 into the Principal Act).

The amendments proposed by this Bill are to apply to the 1987 and subsequent enrolment years (clause 7).

Remarks

Also refer to the Digest for the Overseas Students Charge Collection Amendment Bill 1986 (No. 86/117).

For further information, if required, contact the Education and Welfare Group.
References

1. 1986-87 Budget Statements - Budget Paper No. 1, 100.
2. Ibid.