

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE
SUPPLEMENTARY ESTIMATES 2009-10**

Outcome/Agency Outcome 3

DEEWR Question No. EW577_10

Senator Cash provided in writing.

Question

Tuition Assurance Schemes

- a) Under what circumstances does a provider receive an exemption from a Tuition Assurance Scheme?
- b) How many providers have an exemption?
- c) How many providers have been granted a Ministerial exemption?
- d) If yes, why were these Ministerial exemptions granted?
- e) What documentation is available to justify these exemptions? Please provide a copy of this documentation.
- f) Have any of these providers ceased operation?

Answers

- a) *The Education Services for Overseas Students Act 2000* (the ESOS Act) outlines the exemptions available from Tuition Assurance Scheme (TAS) membership. To claim an exemption from TAS membership under the Act, a provider needs to satisfy one of the following criteria:
 - must have a bank guarantee;
 - be a body corporate and have an indemnity agreement;
 - must be a provider who the Minister believes on reasonable grounds should not be expected to become a member of a TAS and therefore they can be granted Ministerial exemption from the requirement to be a TAS member. (Ministerial Exemption); or
 - must have an approved payment in arrears arrangement in place.
- b) 23 providers are currently exempt from the requirement to be a member of a TAS. Of these, two have bank guarantees, seven have parent indemnity agreements and 14 have Ministerial Exemption.
- c) Currently, there are 14 registered providers who have a Ministerial Exemption.
- d)

Number of Providers	Reason for Ministerial Exemption
11	the unique or unusual nature of the courses covered by the exemption – it is not possible to secure TAS coverage unless another TAS member can provide a suitable alternative course to students in the event of a provider default.
2	unable to secure TAS coverage.
1	an arrangement with the State government guaranteeing students entitlements would be met in the event of a default.

e) The documentation that covers justification of the decisions to grant exemption consists of a Departmental Minute seeking the Minister's delegate's approval of a recommendation for exemption and correspondence from the Minister's delegate to each of the 14 successful applicants. It is possible that the applicants may consider information in these documents to be of a commercially sensitive nature, or that they contain personal information. Before providing the information requested the Department will consult the affected providers and to provide details once consultation is complete.

f) No.