

English Australia Submission:

Joint Review of Border Fees, Charges and Taxes



Sent to: Australian Customs and Border Protection Service
via online form
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Introduction

English Australia is seeking three key outcomes:

1. Elimination of the Subsequent Temporary Application Charge (STAC).
2. Breakdown of the Student Visa Application Charge (SVAC) into two categories with different charges:
 - a) short-term (six months or less) (\$130);
 - b) long-term (more than six months);
3. Reduction in the SVAC (\$420).

We welcome this review as an important opportunity to influence Australia's competitiveness and attractiveness as a study destination.

English Australia is the national peak body representing over 120 ELICOS colleges.

In 2013, 147,823 overseas students studied English in Australia, representing export earnings of \$1.845 billion.

English Australia is concerned that with a limit of 500 words placed on submissions we are unable to provide a fully argued rationale for the changes we are proposing.

A more detailed submission is available if required.

Budget Neutral Outcome

English Australia strongly recommends that 'changes' to visa application charges not be defined only as increases. We endorse the statement in the Minister's media release that fees and charges should not provide a 'disincentive to trade and travel that adds value to our economy'.

It is our submission that budget neutrality should be defined prospectively to reflect the increase in revenue that the growing number of international students and visitors are already generating and are expected to continue to do so.

National Interest

Given the importance that the major services exports (education and tourism) are likely to assume to the Australian economy over the next decade, it is appropriate that a key input to the costs for overseas students be reviewed to 'enhance trade growth and boost Australia's economic prosperity' (Minister Morrison, September 2014).

International Comparisons

The SVAC for Australia is more expensive than any other competitor country (eg. NZ=Aus\$256, Canada=Aus\$217). In addition, the UK has introduced a much cheaper visa category for short course programs, the Student Visitor Visa (Aus\$153). The SVAC contributes a disproportionate % of a student's overall costs depending on the length of the course. Short course ELICOS students are significantly disadvantaged compared with 3 year degree students who pay the same fee.

Subsequent Temporary Application Charge (STAC)

The STAC was introduced from 1 July 2013 and has proved to be a significant disincentive to temporary visitors wanting to extend their stay for study purposes.

DIBP data shows a decline of -11% in the number of onshore student visa applications since the introduction of the STAC, with 12,224 fewer visitors/students applying to stay on for study purposes. The decline in applications for Independent ELICOS (subclass 570) is a much greater -17%.

Student Visas

With 38% of English language students holding non-student visas, English Australia has a direct interest in better alignment of student visa charges with those of other temporary visas.

In addition, we would argue that the fee for a 6 month visa should be different to the fee for a 3 year visa as the value proposition is considerably different.

We would also argue that Australian visa charges should be more closely aligned with our key competitor countries.

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[submission authorised by the Board of English Australia]

