

ESOS Assurance Fund

Annual Report 2007

Background

The ESOS Assurance Fund was established on 4 June 2001 under section 46 of the *Education Services for Overseas Students Act 2000* (the Act) to protect the interests of current and intending overseas students of registered providers.

The following details the key financial information for the year ended 31 December 2006 and 2007 and the payment of claims made by the Fund in 2007.

Financial Information

Table 1.1 shows the income received and expenses incurred in 2007 and 2006.

Table 1.1: Income and Expenses		
	2007	2006
	\$	\$
Revenue from continuing operations	1,336,674	1,081,304
Operating expenses balance	82,040	77,686
Reinsurance expense	263,711	39,726
Calls on the Fund (Provider & Student)	40,408	64,599
Provision for claims	208,988	(88,397)
Fund Manager fees	320,327	274,527
Surplus from operating activities	421,200	713,163

Table 1.2 shows the assets and liabilities of the Fund as at 31 December 2007 and 31 December 2006.

Table 1.2: Assets and Liabilities		
	2007	2006
	\$	\$
Assets		
Cash	3,728,918	3,039,566
Contributions receivable	11,467	51,022
Other current assets	30,372	34,508
Prepaid Reinsurance	204,110	210,274
Total assets	3,974,867	3,335,370
Liabilities		
Payables	31,374	21,130
Non-current provision for calls on the fund	850,888	641,900
Other current liabilities	-	935
Total liabilities	882,262	663,965
Net assets	3,092,605	2,671,405

Claims on the Fund

Throughout the year, a number of claims have been referred to the Fund by the Department of Education, Employment and Workplace Relations (DEEWR). They are summarised as follows:

Default 1

Date of default	7 March 2007
Nature of default (either provider or student)	Student default
Number of students referred	1
Total refunds paid to students	\$9,646
Current status of default	Finalised

Default 2

Date of default	7 June 2007
Nature of default (either provider or student)	Provider and student defaults
Number of students referred	2
Total refunds paid to students	\$25,565
Current status of default	Finalised

Default 3

Date of default	10 January 2007
Nature of default (either provider or student)	Provider and student defaults
Number of students referred	2
Total refunds paid to students	\$5,196.75
Current status of default	Finalised

Contact Details

In regards to this report, the Fund Manager can be contacted by email esos.assurance.fund@au.pwc.com, by phone (02) 6271 3659 or by mail:

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