

Submissions to the House of Representatives Standing Committee on Education and Employment regarding Inquiry into ESOS Legislation Amendment Bills 2011

The Committee Secretary

Dear Sir/Madam,

The Melbourne College of Divinity (MCD) wishes to make a submission to the above Committee concerning the ESOS Legislation Amendment Bills 2011, specifically the Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011, although MCD has some parallel concerns regarding the Education Services for Overseas Students (TPS Levies) Bill 2011 also.

MCD has been a responsible provider of tertiary education during its 101-year existence as a self-accrediting institution and welcomes initiatives that will enhance the quality of course delivery in the education sector generally. Of particular note is the more flexible and streamlined approach to student placement and refund arrangements, and national registration of providers. While MCD endorses a more robust system of consumer protection for international students, there are some practical concerns that MCD wishes to place before the Committee, which may have been addressed previously if there had been a greater degree of consultation with education services providers.

Areas of concern are:

- 1) Amount of the TPS Levy – The *Risk Rated Fee* component is unable to be calculated at present, as MCD's level of risk has not yet been assessed, yet MCD needs to allow for the TPS levy when constructing the annual budget. The 2012 MCD Budget was approved by MCD Council in June 2011, and the Budget for 2013 will be formulated in March/April 2012 and be approved by the MCD Council in June 2012. The current implementation schedule, coupled with the lack of clarity regarding the *Risk Rated Fee* component, provides insufficient lead time to incorporate a reasonably accurate amount for the TPS levy in the MCD 2013 Budget.
- 2) It is noted that the existing legislated requirement for a provider to be a member of a TAS is being abolished. MCD's student cohort is approximately 4% international students and 96% domestic students. MCD has operated its own TAS for a considerable period of time, and this offers protection to all MCD students, both international and domestic. Will MCD's current TAS still be operable for the purpose of protecting our domestic students? If all TAS's are to be abolished, how will domestic students in the higher education sector be protected in the case of a provider closure?
- 3) Related to 2) above, a college joined the MCD federation less than a year ago and work is in process to provide a TAS Agreement with external institutions for two of its awards, the other awards being covered by the MCD TAS. There are two other colleges which are likely to join MCD within the next few months, which normally would enter into a TAS Agreement with the MCD. Should MCD go ahead with arrangements to include these colleges in its TAS, or wait for the TPS to be introduced? Answers to the questions in 2) above will determine the action MCD should take in this regard.

- 4) The student-driven placement process appears sound in theory but could present problems in operation. It is considered that an international student, already traumatised by a provider closure, would require some form of assistance in confidently choosing a replacement provider. A greater level of duty of care would need to be provided rather than leaving the process to be managed entirely by the student.
- 5) It is noted that all providers, both public and private, will be included in the new system. Why, therefore, will public providers pay a levy but not the *Risk Rated Fee* component, although the TPS may presumably be drawn upon on behalf of those institutions' students in the event of provider failure? Will the TPS Advisory Board assess the level of risk for public institutions so the Board is at least aware of the level of risk of individual public institutions?
- 6) In the case of former accepted students, it is stated that "Students of private providers will be able to lodge a complaint against the provider with the Overseas Student Ombudsman, even if they have ceased studying with that provider". Why is this facility not extended to students of all providers, whether private or public?

Finally, it is difficult to visualise that the Appointments of TPS Director and TPS Advisory Board, and other necessary elements of the governance structure would be in place and organised sufficiently for operation to commence on 1 July 2012. It is suggested that the new system be fully implemented on 1 January 2014, which would enable the new system to be fine-tuned as much as possible prior to implementation. The risk factor of individual institutions could be determined during the latter half of 2012 and providers notified in sufficient time to include additional costs of the TPS in their 2014 annual budget.

Thank you for the opportunity to make a submission in this matter.

Kind regards,

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