



Australian Government

Tertiary Education Quality and Standards Agency

Submission from the Tertiary Education Quality and Standards Agency to the Education and Employment Legislation Committee

October 2019

TEQSA

Education Legislation Amendment (Tuition Protection and Other Measures) Bill 2019, VET Student Loans (VSL Tuition Protection Levy) and Higher Education Support (HELP Tuition Protection Levy) Bill 2019

Introduction

The Tertiary Education Quality and Standards Agency (TEQSA) welcomes the opportunity to provide a submission to the Education and Employment Legislation Committee (the Committee) on the inquiry into the *Education Legislation Amendment (Tuition Protection and Other Measures) Bill 2019*, *VET Student Loans (VSL Tuition Protection Levy) Bill 2019* and the *Higher Education Support (HELP Tuition Protection Levy) Bill 2019* (the Bills).

TEQSA understands that the suite of legislation regarding tuition protection arrangements considered by the Committee encompasses both the higher education and vocational education and training sectors; the focus of TEQSA's submission is on the proposed tuition protection arrangements for higher education students (the proposed tuition protection arrangements).

About TEQSA

TEQSA is Australia's independent national quality assurance and regulatory agency for higher education. TEQSA commenced operations on 29 November 2012 under the *Tertiary Education Quality and Standards Agency Act 2011* (TEQSA Act).

All providers that offer higher education qualifications in or from Australia must be registered by TEQSA. Providers that do not have self-accrediting authority must also have their courses of study accredited by TEQSA. TEQSA regulates higher education providers against the TEQSA Act, and, for the providers that also offer courses to students in Australia on a student visa, against the *Education Services for Overseas Students Act 2000*. Taken together, the legislative frameworks of these Acts incorporate the following quality standards:

- the *Higher Education Standards Framework (Threshold Standards) 2015* (HES Framework)
- the *National Code of Practice for Providers of Education and Training to Overseas Students 2018*
- the *Foundation Program Standards*
- the *ELICOS Standards 2018*.

TEQSA's purpose is to protect student interests and the reputation of the higher education sector by assuring the quality of Australian higher education through a proportionate risk-reflective approach that supports diversity, innovation and excellence.

Key points

TEQSA broadly supports the Bills, which will legislate the further strengthening of existing tuition safeguards for higher education students that defer their tuition fees through the Government's Higher Education Loan Program (HELP).

- TEQSA considers that the proposed tuition protection arrangements would in no way reduce or remove existing requirements on higher education providers to comply with requirements concerning tuition safeguards under the HES Framework (in particular, the criteria at Part A6.2.1.i), which apply to all providers registered by TEQSA for the protection of their enrolled students (including both domestic and overseas students).

TEQSA understands the following additional classes of students would not fall within the scope of either the proposed tuition protection arrangements or the existing Tuition Protection Service (TPS) scheme for international on-shore students:

- domestic students studying at non Higher Education Support Act (HESA) approved independent higher education providers
- domestic students studying at HESA independent higher education providers but that do not access HELP loans in relation to their coursework (i.e. students elect to make upfront payments for the entirety of the course tuition fees)
- overseas students studying at offshore campuses or offshore partner institution of an Australian higher education provider
- domestic students studying at Table A (public university) providers.

Although requirements under the HES Framework regarding tuition safeguards would continue to apply for all higher education providers registered by TEQSA (and would continue to encompass the protection of the classes of students listed above), TEQSA suggests that consideration could be given to increasing the scope of the proposed tuition protection arrangements beyond students that have taken out a HELP loan as a means of ensuring the same levels of strengthened protection for all higher education students.

Further detail

TEQSA understands that the Bills will legislate the tuition assurance services that are currently being delivered on an interim basis by the Department of Education. TEQSA supports the Bills in principle on the basis that they will strengthen tuition safeguards for eligible higher education students. In particular:

- the establishment of the proposed HELP Tuition Protection Fund under legislation will ensure the availability of a long-term mechanism to support re-credits of eligible students' HELP loan balances in any instances of a provider default (as defined in the legislation)
- the legislation should ensure the availability of a consistent, long-term mechanism for eligible students to be assisted to continue their studies in a suitable replacement course with a replacement provider in any instances of a provider default.

TEQSA notes that existing requirements on all higher education providers registered by TEQSA regarding tuition safeguards will continue to apply. In particular:

- Part A6.2.1.i. of the HES Framework specifies that a higher education provider registered by TEQSA must demonstrate, and the corporate governing body assure itself, that the provider is operating effectively and sustainably, including by having 'adequately resourced financial and tuition safeguards to mitigate disadvantage to students who are unable to progress in a course of study due to unexpected changes to the higher education provider's operations, including if the provider is unable to provide a course of study, ceases to operate as a provider, loses professional accreditation for a course of study or is otherwise not able to offer a course of study'.

TEQSA suggests that there may be merit in consideration being given to increasing the scope of the proposed arrangements, to ensure the same levels of strengthened protection for all higher education students. In particular, TEQSA notes that this consideration could apply both to legislating for services regarding the assistance of students to continue their studies in a suitable replacement course with a replacement provider in any instance of a provider default, as well as to ensuring a sufficient compensation mechanism i.e. a mechanism to provide compensation for those students that make an upfront tuition fee payment, as an alternative to providing a re-credit of a student's HELP balance.

As a potential option, any such compensation mechanism could be modelled on that which is available under the TPS scheme for on-shore international students, which provide refunds to students for tuition fee payments (i.e. payments outside of HELP or any income contingent loan scheme).

TEQSA suggests that, while it would be ideal for this suggested expansion to be considered for the suite of Bills under consideration by the Committee currently, should this be unfeasible within current timeframes then an expansion of the scope of the legislation could be considered as part of future amendments to legislation.

Contact

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