



Universities Australia Submission to Senate Education and Employment Standing Committee

Friday 30 October 2015

Universities Australia is pleased to provide comment to the Committee on the two ESOS Amendment Bills currently before the Senate. Universities Australia has been involved in an open and engaged consultation process with the Department of Education and Training and other relevant stakeholders for over 18 months in an exemplary case of good policy development. We fully support the passage of these bills.

ESOS Amendments

The Education Services for Overseas Students Amendment (Streamlining Regulation) Bill and the Education Services for Overseas Students (Registration Charges) Amendment (Streamlining Regulation) will cut burdensome red tape and boost education providers' abilities to concentrate resources on the core business of education and student support. The bills significantly reduce compliance and reporting obligations for universities, while strengthening the powers of ESOS Agencies to fulfil their functions to protect students' interests and the reputation of the international education industry. We ask that Parliament pass these bills without amendment or delay.

The ESOS framework is a vital pillar of the quality assurance regime for Australian international education. Though it is the envy of many competitor nations and a hallmark of good practice for consumer protection, the associated regulatory burden has been growing ever larger. Unfortunately, compliance is now at a point where certain provisions are limiting student choice and the capacity of education providers to provide the best options for their students. These bills address these concerns and allow universities to focus on what they do best, delivering an international education experience of uncompromising quality.

While Universities Australia supports the passage of the bills in their entirety we are explicitly seeking the passage of those amendments which will reduce unnecessary reporting obligations of our members and provide increased flexibility for students and their sponsoring agencies to pay tuition fees as they wish.

The reporting obligations introduced with the passage of the Tuition Protection Service (TPS) legislation have been particularly onerous for universities. The changes proposed in these bills are long overdue, following recommendations, accepted by government, in the PhillipsKPA *Review of University Reporting Requirements* in 2012 and the Kwong Lee Dow Braithwaite *Review of Higher Education* in 2013.



Also of concern to Universities Australia members is the restriction that prevents students and their sponsors from paying more than 50% of their tuition fees upfront. While this does not impact on large numbers of international students at university given the general practice of paying tuition fees by semester or trimester, there are cohorts of students for whom this provision has a negative effect.

Universities enrol many international students supported by foreign government or foreign agency scholarships. In some instances the scholarship agencies would prefer to pay tuition fees in annual or bulk payments rather than by semester and this legislation can prohibit them from doing so.

Individual students or their parents may also wish to make fee payments greater than 50% upfront. Reasons for this are varied but can include the desire to take advantage of favourable exchange rates, to reduce transaction costs or because of the difficulty of getting funds out of some countries due to internal unrest or restriction. Some parents would prefer to make tuition payments upfront in these circumstances rather than leaving large sums of money in students' everyday accounts in Australia.

While the numbers of students in this situation are relatively low, the proposed change to the legislation will improve their situation without detriment to other students. The legislation will now enable students to make payments in excess of the 50% limit if they wish and will ensure institutions cannot require students to make such payments.

For universities this change will bring about an additional benefit as it will remove the considerable administrative burden associated with returning funds to students who have inadvertently paid in excess of the limit. The process for returning funds can be quite complicated as students must respond to a request for bank details to which to return the excess funds and entails additional university reporting on refunds to the TPS.

This legislation is the product of extensive consultation and has the support of all Australian international education associations. It is an exemplary case of good policy development in a risk managed framework and we call on Senators to support the passage of these bills without amendment or delay.

Should the Committee have questions regarding this submission, please contact Ainslie Moore, Policy Director International

r