

Our Ref: K-02-005

3 November 2011

Senator Gavin Marshall
Committee Chair
Senate Education, Employment and Workplace Relations
Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600
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Dear Senator Marshall

Inquiry into Bills referred 13 October 2011: Tuition Protection Service

Universities Australia welcomes the opportunity to comment on the Education Services for Overseas Students (ESOS) bills which were referred to the Senate Education, Employment and Workplace Relations Committee on Thursday 13 October 2011.

In response to the call for submissions by the House of Representatives Standing Committee on Education and Employment in late September on the ESOS bills, Universities Australia provided a submission on 6 October. We now wish to make a submission to the Senate Committee.

Universities Australia is committed to ensuring all international students receive a quality education and have a positive experience while studying in Australia and therefore supports any moves by government that will ensure that Australia's reputation as a high quality study destination is maintained.

Regarding the proposed changes to ESOS, Universities Australia has previously stated that it is opposed to a universal tuition protection scheme. However, the sector is committed to working with government to establish a framework that will be most effective and provide the best outcomes for the sector.

Universities Australia is pleased that the Tuition Protection Service (TPS) legislation differentiates between universities and other international education providers through the four tiered risk based fee structure while still providing an assurance of Australia's commitment to protecting the interests of all international students. Universities Australia understands that this distinction will also be reflected in the TPS website design and student placement mechanism. However, Universities Australia is concerned that the inclusion of the 'special levy' provision will mean that, given university students are much less likely to draw on the fund, universities will be in effect underwriting the private sector, notwithstanding the CRICOS fee reduction.

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Universities Australia welcomes the proposed amendments to limit the collection of pre-paid course fees to no more than one study period and to require providers not in receipt of recurrent government funding to place prepaid course fees into a designated account. However, universities are the largest education providers in the country and are extremely complex institutions and we would recommend some streamlining of the processes to ensure that universities are provided with appropriate timeframes in which to make reports as problems occur.

Some of the proposed changes are not appropriate for universities who are administering significantly larger student enrolments compared to providers in other sectors. One of the premises of law is that it should be possible for those at whom it is directed to comply with it. This is not the case with some of the proposed changes to the ESOS Act contained in the TPS Bill. These and related concerns are described in detail in the attached supplementary submission from the Deputy Vice-Chancellors (International) Committee.

Universities Australia is also concerned that the proposed commencement date for the TPS is too soon. It is important not to rush the implementation of such an important service and Universities Australia would support a start date of January 2013.

Universities Australia notes the recent decision of the House of Representatives Standing Committee on Education and Employment on the ESOS bills and their recommendation that the reporting periods for provider and student defaults be changed to a 72 hour reporting requirement. We agree that this change better reflects the intention of the bills and welcome the adoption of a common-sense and practical interpretation of this requirement.

However, we maintain that even a 72 hour obligation places an unnecessary burden on universities. In recognition of the low risk of defaults occurring in our sector, we propose universities be given five days to notify the regulator of a provider or student default.

Universities Australia is committed to working with government to ensure that we achieve the best possible outcomes for international students and international education providers.

Yours sincerely

Dr Glenn Withers AO
Chief Executive Officer