

Submission to



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**House of Representatives Standing Committee
on
Education and Employment**

Inquiry into Bills Referred on 22 September 2011

Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011

Education Services for Overseas Students (TPS Levies) Bill 2011

Education Services for Overseas Students (Registration Charges) Amendment (Tuition Protection Service) Bill 2011

INTRODUCTION

The Council of Private Higher Education (COPHE) welcomes this opportunity to provide input to the House of Representatives Standing Committee on Education and Employment. COPHE has supported the concept of an industry wide Tuition Protection Scheme and we welcome this legislation which can better serve overseas students and strengthen the reputation of Australian education.

COPHE members are focused on the provision of higher education and it is important to note that there has never been a failure of an Australian higher education provider where students were displaced. In addition, from January 2012, with the introduction of TEQSA we will have a single national regulator and standards body, further strengthening quality assurance in higher education. TEQSA will also of course be the designated authority for the certification necessary for CRICOS registration.

Key features of the TPS are the involvement of all international providers in the scheme and the introduction of a single process for the placement of students in the event of provider default. In the higher education sector, and despite the low level of risk, universities would inevitably be involved in student placement and furthermore it would be in their interest.

Introducing national registration of providers is another valuable reform.

Notwithstanding in-principle support for the TPS, COPHE members have expressed concern about potential additional costs. Regulatory costs are already significant for HEPs and in regards to student protection, where they are coming from a current low risk/low cost situation established by guarantees between similar institutions under existing TAS schemes that have no history of provider default, cost is a particular concern. They have also questioned how some of the processes, briefly described in the supporting documentation and intended to be covered by regulation, will work in practice.

These Bills are complex and much work will need to be undertaken on the accompanying regulations however we see no reason to delay the legislation. Further opportunities for consultation on the regulatory details would be constructive.

COMMENT ON SPECIFICS

In Schedule 3, Pre-paid Fees, the limit on pre-payment of course fees to a single study period is good in principle and consistent with standard practice in higher education, where semesters are the norm, but raises an issue when fees for a full year are pre-paid say under any form of scholarship or sponsorship on behalf of a student. The number of students affected may not be large but the implications are serious.

Further in Schedule 3 Pre-paid Fees Proposed section 27 a provider may not collect fees more than two weeks before commencement of a course. This is not a practicable or workable time frame which will inevitably occur at a very busy time in an educational institution and the period should be extended to four weeks.

The requirement for a designated account for student fees and the associated rules for draw down of fund is considered workable.

In Subdivision B Proposed section 47A regarding Student Default it needs to be clear that the student is not in default if their enrolment is deferred or suspended by the provider according to National Code Standard 13, eg in compassionate and compelling circumstances.

In Sub-division A, proposed section 46D Subsection 2 a defaulting provider has two weeks to discharge its obligations. We note under Division 3 Proposed section 49 that the student placement service may be invoked if the provider is unlikely to be able to discharge its obligations. In a default situation the best outcome will come from quickly providing students with suitable alternative courses and guidance as to what will work for them however that is unlikely, in a higher education setting, to be achieved in two weeks. An improved outcome would likely be achieved by involving the student placement service as early as possible in which circumstances the provider should be extended four weeks to discharge its obligations.

In Schedule 2, Part 1, Division 3, Subdivision A, Proposed section 9AC the registration period is limited to 5 years. Under TEQSA, registration may extend to 7 years. It would be sensible for TEQSA as the designated authority to align registration periods.

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