

6 October, 2011

**Submission Number: 5**  
**Date Received: 6/10/2011**



Secretary  
House Standing Committee on Education and Employment  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Secretary

The Group of Eight (Go8) welcomes the opportunity to make a submission on the ESOS Amendment Bills currently before the Parliament. The Go8 supports the goal of making regulation of international education clearer and more consistent and less burdensome on providers. We strongly support a risk-based approach to regulation, reflecting the differing levels of risk posed by different providers to Australia's reputation as a study destination and to the integrity of the student visa program.

We are pleased to see that the Government's response to the Strategic Review of the Student Visa Program (the Knight Review) explicitly acknowledged the principle that risk assessment should recognise and reward high quality providers. We are especially pleased that the Government's response has recognised the evidence that Australia's universities provide high quality international education at low levels of risk. We are grateful for Government's decision to adopt Knight's recommendation to streamline student visa processing at universities.

The Go8 hopes that Government will adopt similar risk-based and evidence-based principles in its approach to ESOS regulation.

### **Tuition Protection Service**

The Go8 supports the introduction of a single national Tuition Protection Service (TPS), but has some concerns about its implementation.

It will be important to clearly distinguish different levels of risk within the TPS. Failure to do so may pose reputational risks for universities. High quality, low risk providers such as universities must not – and must not be seen to – bear the risk for lower quality providers, in financial, regulatory or reputational terms. Furthermore, differentiation within the TPS must be maintained over time. The TPS, like other elements of the ESOS regulatory framework, should concentrate on areas of evident risk.

Like other international education stakeholders, the Go8 is concerned about how the TPS will work. We note the Government's assurance that the TPS will be a 'risk-based' system. A risk-based approach is essential and we strongly support the principle. However, it is not clear to us how risk will be determined or measured, or how assessed levels of risk will affect the operation of the TPS. These are matters for careful and detailed consideration and genuine consultation with the sector will be needed.

Without knowing in advance how the 'risk-related component' of the TPS levy will work, we are concerned that TPS levies will be determined by volume of enrolments as much as by risk. This would have obvious disadvantages for low risk but high volume providers such as large universities. The risk-related component of the TPS levy will have to be carefully designed and monitored to ensure that it meets the professed objects of the scheme.

Considering their low risk status, universities carry a heavy financial burden due to administrative charges linked to volume of enrolments. We note the Government's intention that the TPS levy should not impose a net additional cost on universities, once reductions in CRICOS annual registration charges are taken into account. The principle of no net additional cost should be applied so that universities are not disproportionately penalised if and when a special levy is introduced during times of stronger international student demand.

We note that there will be no compulsory placements of students whose providers have defaulted. We support the principle that students placed with new providers under the TPS must meet the new provider's entry standards. Together these provisions will protect standards and institutional autonomy.

## **Other measures**

To support the TPS the Bill also introduces a series of complementary initiatives including:

- limiting the amount of pre-paid course fees that may be collected by providers;
- a requirement on some providers (though not on public universities) to keep initial pre-paid fees in a separate account until a student commences study;
- strengthening record-keeping obligations; and
- establishing a national registration system which will allow the registration of providers who operate across jurisdictions.

The introduction of these Bills follows the rebasing of the Annual Registration Charge which passed Parliament recently.

The further measures all appear to be sensible approaches, however due to the short time allowed for scrutiny of these bills it is difficult to ascertain whether there are any administrative implications which might cause difficulties for universities.

## Timing of proposed changes

The Go8 has some concerns about the timeframe for the proposed changes. To begin with, we are concerned that not enough time has been allowed for Parliamentary consideration of these complex and important Bills. The timeframe does not allow for detailed examination of the proposed changes and their implications by the various University professionals concerned, such as Legal Counsel, Student Administration Managers, and International Directors.

Similarly, implementation timeframes are tight, especially since the Bills envisage that changes will be implemented immediately following Royal Assent. Universities will need to make some changes to their administrative systems and processes to accommodate the proposed amendments. They may also need to update some policies, agreements with other education providers, and marketing materials.

## Conclusion

The Go8 fully supports the policy intent to set up a stronger, but more flexible regulatory environment for international education that is fundamentally risk-based. We are concerned that the implementation of the TPS and other measures proposed in these Bills be legislated and carried out in a way that is most likely to achieve this aim.