

AUSTRALIAN GREENS' ADDITIONAL COMMENTS

1.1 The Australian Greens have long supported the protection of Australia's reputation as a provider of world class higher education and training. When many international students were left without either alternative placement or refunds when a number of providers went out of business, the then Labor government recruited Bruce Baird to lead a review into the ESOS Legislation.

1.2 The Baird Review found that there were untenable amounts of risk in the system for international students. Therefore it recommended a change in regulation and the creation of a risk management framework to protect international students from exploitation and being left without either refund or qualification in cases of provider bankruptcy or market exit.

1.3 To achieve this it recommended the introduction of the Tuition Protection Service, which would assist international students to complete their qualification by finding alternative placement or, at worst, be reimbursed in cases where providers went out of business.

1.4 The Education Services for Overseas Students Amendment (Streamlining Regulation) Bill 2015 would unwind many of the regulations around the Tuition Protection Scheme that were put in place by the then Labor government in response to the Baird Review. This includes:

- the ending of the requirement of providers to hold student fees in a 'designated account' until course commencement;
- the removal of the 50% cap on the up-front costs that are chargeable for longer courses;
- the removal of the concept of a 'study period'; and
- lowering reporting obligations for student defaults

1.5 The Greens believe that the Minister and the Department of Education are unwarranted in their increased confidence in the sector. We concur with the scepticism found in submissions by the NTEU¹, CAPA², the Tasmania University Union³ and the Overseas Student Ombudsman⁴. The NTEU write:

¹ National Tertiary Education Union, *Submission 9*, p.3.

Supporters of the proposal to remove the designated account and 50% rules as a way of reducing provider compliance costs and red tape argue that it is justified as the international sector is more stable than when the current provisions to TPS were introduced in 2012. While we acknowledge that there have certainly been improvements, supporters of the changes argue that the RIS is premised on the assumption that the risk of circumstances (that is, the turmoil the sector experienced over the period 2008-2011) which was the catalyst for these and other changes is now very low or non-existent. However, given the recent evidence of widespread problems within the private vocational sector ... we are concerned that both the Government and the sector are seriously underestimating the current levels of provider risk. As such the assumption that it is fine to pull back on regulatory protections is being made under a false premise.⁵

1.6 Due to the problems with the VET FEE-HELP scheme, as identified in the recent Senate Inquiry into the for-profit VET sector⁶, there are more questionable providers than ever. It is the Greens belief that the Minister has got the order of priorities wrong. The first goal should be to fix the current problems in the system, and only then to look at the possibility of increasing student choice or lowering regulatory costs.

1.7 If the problems with the VET FEE-HELP scheme were to be fixed, it is quite possible that providers who rely on rorting the VET FEE-HELP system will struggle to stay afloat. Given that many for-profit providers also have an international student component to their business model, there is a structural risk to these international students' qualification and tuition if there is not appropriate regulation.

1.8 Given the problems identified, it is the position of the Australian Greens that now is not the right time to pursue the deregulatory agenda contained within this Bill. To do so now would pose too great a risk to both students and Australia's international reputation as a world class tertiary education provider.

² Council of Australian Postgraduate Associations, *Submission 2*, p.2.

³ Tasmania University Union, *Submission 4*, p. 2.

⁴ Overseas Students Ombudsman, *Submission 7*, p. 5.

⁵ National Tertiary Education Union, *Submission 9*, p. 3-4

⁶ Senate Education and Employment References Committee, *Getting our money's worth: the operation, regulation and funding of the private vocational education and training (VET) providers in Australia*, October 2015.

Recommendation 1: The Australian Greens recommend that the Senate reject this bill.

Senator Robert Simms

Australian Greens

