

Australian Government  
Schools International

*Elizabeth Webber*  
Chair, AGSI

Committee Secretariat  
Standing Committee on Education and Employment  
House of Representatives  
Parliament of the Commonwealth of Australia  
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**Submission Number: 1**  
**Date Received: 7/10/2011**

Dear Secretary,

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

Australian Government Schools International (AGSI) is the peak body representing government schools providers for international students across all states and territories. AGSI welcomes most of the recommendations of the Michael Knight Student Visa Review particularly those specific to the school sector. AGSI also supported the recommendations of the Baird Review of the Education Services for Overseas Students (ESOS) Act.

Following these reviews, Amendments to the ESOS Act - Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011 has been submitted to the House of Representatives. The implementation of the Amendments raises some issues for the schools sector and may negatively impact on the international program in government schools.

The implementation may have consequences that are contrary to the intention of the reforms and could be detrimental to international students in schools. The timeframes included in the Amendments are also not practicable and impose unnecessary compliance requirements on providers.

Details of these concerns are outlined in **TAB A**.

**Mission Statement**

The peak national body.

Representing international education in Australian Government Schools

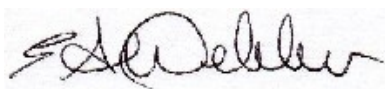
Promoting government schools as quality Education Providers

Providing expert advice, leadership and support for industry development and a quality student experience.

The Knight Review found that the school sector “was relatively small and appears to be functioning well” and that the government school sector was “a low risk group”. As such we would suggest that government schools providers are granted an exemption from the Tuition Protection Service, as previously was the case with the Tuition Assurance Scheme.

Thank you for the opportunity to make this submission and bring these issues to your attention.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Elizabeth Webber', written in a cursive style.

**Elizabeth Webber**  
CHAIR

October 4, 2011

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

## **Division 2- Obligations on registered providers when a provider or student defaults**

### **Subdivision A –Provider defaults**

#### **46A When a registered provider defaults**

**Comments:** It is requested that the inclusion of 'location' in the definition of provider default be amended for large providers with multiple campuses.

All state and territory government schools providers have multiple campuses.

In certain cases a place offered to a student at a specific government school may cease to be available on the agreed starting day or before a course is completed. However a place at another school may be available.

In these cases the student is offered another location reasonably close to the original school. Students may be satisfied with the alternative location and if not they may be released.

In such circumstances the provider should not be deemed to have defaulted.

**It is recommended that an additional clause be added as follows:**

#### **46A (1) (a) (iii)**

Where (i) and (ii) apply but the provider is able to offer the student an alternative location for the course, which is reasonably close to the original location and is accepted in writing as a satisfactory alternative by the student, the provider does not default.

#### **46B registered providers to notify of provider default**

Clause (2) requires providers who default to notify the Secretary and the TPS Director within 24 hours of the default occurring.

**Comment:** This time frame is unrealistic for large government school providers where communication of such situations goes through a number of channels. Administrative offices and schools are usually closed on weekends and most schools providers would not be able to comply with a 24 hour reporting requirement.

**It is requested that clause 46B (2) be amended as follows:**

The provider must notify, in writing, the Secretary and the TPS Director of the default as soon as practicable and no later than 5 working days of the default occurring.

**Subdivision B –Student defaults**

**47A When a student defaults**

**Comment:** Students may not start their school course on the agreed starting day for many reasons including delays in visa processing, flights being overbooked during peak times, significant cultural events in their home country or other personal reasons. In such situations it should not be considered a student default.

Reporting to the Provider Registration and International Student Management System (PRISMS) for changes to student enrolments is required within 14 days. It is recommended that the TPS reporting is consistent with this requirement.

**It is requested that 47A (1) (a) be amended as follows:**

The course starts at the location on the agreed starting day, but the student does not start the course within 14 days of the agreed starting day (and has not previously withdrawn); or...

**47C Registered provider to notify of student default**

Clause (2) requires providers to notify the Secretary and the TPS Director within 24 hours of the default occurring.

**Comment:** This time frame is unrealistic for large government schools providers, where communication of such situations goes through a number of channels. Administrative offices and schools are usually closed on weekends. Compliance with a 24 hour reporting requirement would not be practicable.

For a student default more time is also required for the provider to confirm with the student any special circumstances that resulted in a delay in the start date and to allow the student to commence the course. A student should not be considered to default within 24 hours as it may have serious implications for the student; does not allow for extenuating circumstances or provide natural justice.

PRISMS reporting allows 14 days for a student to be reported for any event change including non-commencement of studies. It is therefore recommended that the TPS reporting is consistent with the PRISMS requirements.

**It is requested that clause 47C (2) be amended as follows:**

The provider must notify, in writing, the Secretary and the TPS Director of the default as soon as practicable and no later than 14 working days of the default occurring.

## **Schedule 3 – Prepaid Fees**

### **Division 1 – Main amendments**

#### **Section 22 – Requirement to provide for study periods**

Subsection (1) and (3)

**Comment:** The study period of 24 weeks is not appropriate for schools, as schools have an academic year of 40 - 42 weeks. Tuition fees are set for an academic year, for example Year 11 fees may be \$10,000.

The requirement for a study period to be no more than 24 weeks is not consistent with any school operations.

Some schools providers offer intensive English courses as separate ELICOS courses and these have been extended to 50 weeks, in the Knight Review.

**It is requested that subsection (3) be amended as follows:**

A study period must be no more than 24 weeks long, except for the school sector where it must be no more than one school year.

Intensive English language courses are exempt for the requirements of Subsection (3) provided the maximum period that they can collect fees for is 50 weeks.

### **Division 2 – Pre-paid fees**

#### **Section 27 – Prepaid fees**

Subsection (1)

**Comment:** Most government schools providers offer short term study programs ranging from one term (12 weeks) to one year (40- 42 weeks). School students from Germany, the fourth largest source country for the school sector, mostly come for this short term study abroad program. The practice across all schools providers is to collect the total tuition fees upfront to save parents making further money transfers during the program.

Students who study the graduate program in schools usually study for 2 to 3 years in senior high school. For this course, a provider can collect up to 50% of total fees, which would cover a period of one year or more.

**It is requested that subsection (1) be amended as follows:**

A registered provider must not collect in excess of one year tuition fee of the course or the total tuition fees of the course if the course is less than one year duration, before the student has begun the course.

**Subsection (2) can be deleted if the suggested amendment (1) is accepted.**

Subsection (3)

**Comment:** A provider may be requested by students and their parents to receive fees earlier than 2 weeks before the beginning of a study period. There are various reasons for this including, students returning home for the holidays and not returning by the payment due date; parents choosing to pay fees when there is a favourable exchange rate that would save the parents money - this amendment would prevent parents taking this option.

For schools to plan for staffing and class timetabling for the next year, it would be too late to collect the fees only two weeks before the commencement of the school year.

**Subsection (3) be amended as follows:**

A registered provider is prevented from requiring tuition fees for a school sector course to be paid more than 10 weeks before the beginning of a study period for the course, unless requested by the student or their parent.

## **Education Services for Overseas Students (TPS Levies) Bill 2011**

### **Clause 4 – Interpretation**

#### **Definitions**

##### ***Overseas student tuition fees***

**Comment:** It is not clear whether the fee received is a gross amount or a net amount which is the fee received less fees refunded. It should be the net amount that is subject to risk assessment.

**The interpretation be amended as follows:**

Overseas student tuition fees for a registered provider for a year is the amount of tuition fees received less any fees refunded by the provider during the year in respect of an overseas student or intending overseas students.