



Tuition Protection Service (TPS) Policy

Purpose:

SELC, as a CRICOS provider delivering educational services to overseas students, ensures that the conditions for fees collection, refunding fees and financial management comply with the conditions outlined in the Tuition Protection Service (TPS) for Education Providers.

In addition to the TPS, a range of associated reporting requirements on PRISMS, are now integrated to protect the integrity of international education services being provided in Australia, to international students.

SELC does not enrol Permanent Residents or Citizens of Australia into its courses.

Tuition Protection Service Overview:

- The Tuition Protection Service (TPS), is a placement and refund service for international students
- TPS replaces the Tuition Assurance Scheme (TAS) and the ESOS Assurance Fund arrangements, that were in place prior to 1st July 2012
- The TPS is like insurance cover with premiums based on risk, and aims to place students in an alternative course in the case of provider default (and pay refunds as a last resort)
- The TPS includes strengthened governance arrangements, for greater accountability to Government

TUITION PROTECTION SERVICE (TPS)

The fairer benefit to student and provider from new TPS

Under the previous system, students had their placement activity managed for them by the Tuition Assistance Scheme (TAS) or failing that, by the Fund Manager, with limited say in their alternative enrolment.

The TPS gives students, greater control and responsibility within the placement process, by allowing students to make a choice from available alternative placement options. A more direct relationship in placements between affected students and prospective providers, should lead to a more efficient and effective outcome for students and the sector as a whole. Students should also benefit from more timely placements, or refunds where necessary, and a smoother transition to new providers.

In a situation where a student cannot find an alternative course during the placement period or their provider closes, the student is eligible to request a refund of the unexpended portion of pre-paid tuition fees. That means, refund arrangements have changed from full refunds to partial refunds, and cover only that portion of tuition for which the student has paid. These changes recognise that the existing full refund burden on providers, has been unreasonable and a disincentive to meeting their refund obligations under ESOS.

PARTIAL REFUNDS:

Should a situation arise where SELC defaults and is no longer able to deliver a registered course, SELC will not be required to pay a full refund to all affected students. Instead, if SELC is unable to place an affected student in an alternative course, SELC will refund the difference between what the student has paid and the value of the tuition already delivered, before the default. The method for calculating the partial refund has been developed in consultation with sector peak bodies and is being given effect through legislative instrument. This method will also be used by

the TPS Director to determine payments to be made to alternative providers. when placing students. Limited refund amount to unspent prepaid tuition. is fairer for providers and helps meet obligations to students.

TPS FEATURES:

The National TPS replaces the tuition assurance arrangements, previously managed by the Australian Council of Private Education and Training (ACPET)

SELC ensures that a limit of up to 50% of total tuition fees, may be collected prior to student commencement, unless a course is 24 weeks or less.

SELC will keep initial prepaid fees in a separate account until the student has commenced studies and are current on both the student database and PRISMS.

Student refunds under visa refusal will be based on unexpended tuition fees, rather than on the total course cost as was previously allowable under the ESOS Act 2000.

SELC will follow payment guidelines, as per the new TPS and will maintain ACPET membership.

SELC IMPLEMENTATION:

As SELC delivers to international students, the TPS reforms impact on SELC regarding adherence to the following:

- SELC must meet all default obligations under the Education Services for Overseas Students (ESOS) Act 2000
- SELC will contribute to TPS annually, for all international and fee for service students
- From 1st July 2012 any exemptions will cease, as no provider will be refused tuition protection cover
- TPS has one set of fees and SELC will not need to contribute separately to a TAS for international students
- SELC will have the opportunity to place students and will be paid an incentive for doing so. Students will have to pay any additional tuition fees
- SELC will not be obliged to accept a student
- SELC as a stakeholder in the international education sector as a whole, will reap the reputational benefits to Australia from having a robust tuition protection framework in place and backed by SELC

Calculating Contributions to TPS:

The Tuition Protection Service (TPS) is a universal system and SELC as well as public providers previously exempt will contribute according to the risk presented to students and the sector. SELC is required to pay TPS levy each year calculated as per three main components and disclose information related to determining the amount of the levy.

THE THREE (3) MAIN COMPONENTS TO THE ANNUAL TPS CONTRIBUTION LEVY ARE:

Administration Fee and Base Fee

SELC must pay per provider and per enrolment, and cover the basic costs of running the service. These fees are payable by SELC for all international students. SELC students that are funded under various federal or state government funds, will not be calculated in the annual fee.

Risk Based Fee

SELC as a private provider, must pay the risk based fee, as only public providers are exempt as they are perceived as low risk.

The TPS Director will set SELC's risk based component of the levy, which will most likely be drawn from information about SELC from the system. In setting the fees, the TPS Director will seek the advice of the TPS Advisory Board, which includes broad representation across educational sectors, actuarial experts and government. The risk factors used in the calculation of the levy, will be reviewed and published annually.

Special Levy

The special levy will initially be set at zero. The TPS Director may charge SELC a special levy during periods of market buoyancy, to build a 'nest egg' in the overseas Students Tuition Fund for any periods of market instability.

The TPS Director will set the TPS levy annually and provide a written notice to SELC with the amount of the TPS levy to be paid. SELC may seek review of the TPS levy from the Administrative Appeals Tribunal (AAT).

The TPS Director will notify the Secretary, if SELC has not paid by the end of seven (7) days after the reminder notice. In this case, SELC's registration is automatically suspended for failure to comply with the reminder notice. The TPS Director may recover from SELC as a debt, the amount equal to the amount paid for a student under TPS.

SELC Requirements for implementation:

After 1st July 2012 SELC will maintain ongoing ACPET membership in addition to TPS. SELC has a designated account for the prepaid tuition fees for non commenced students. This will be a normal SELC bank account, that allows deposits and withdrawals and is separate to SELC day to day operating account. Therefore, it does not need to be a trust account.

SELC written agreement with international students amended to include details on study periods and prepayments, in line with the new limitations including but not limited to the actual start date and default start date (5 business days after the actual start date)

SELC has established processes to comply with new reporting requirements:

- SELC to notify the Secretary and TPS Director via PRISMS of **PROVIDER DEFAULT** within three (3) business days and the student in writing
- SELC to notify the Secretary and TPS Director via PRISMS of **STUDENT DEFAULT** within five (5) business days and the student in writing
- SELC to notify the Secretary and TPS Director via PRISMS of the **DEFAULT OUTCOME** within seven (7) days of provider obligated period

Obligations in case of PROVIDER DEFAULT:

SELC has an obligation in case of provider default that, within 14 days SELC will:

- Either offer the student an alternative place at SELC's expense, that is accepted by the student in writing, or
- Refund the student the *unused portion* of the prepaid fees

TPS Student Placement:

If SELC, as a registered provider of an alternative course offers the student a place in the course, the student may accept the offer in writing within 30 days after the end of the provider obligation period unless the period is varied by the TPS Director.

Notifying PRISMS of student default:

SELC to notify through PRISMS within five (5) business days student default(s) as follows:

- Student voluntarily withdraws from the course, including details of last day of attendance, attendance percentage and academic results
- Certain limited circumstances, where a student is not permitted to undertake the course
- Student has not commenced their course on the agreed starting day as entered on their confirmation of enrolment. However, if SELC is able to contact them within the five (5) business days renegotiate a new starting date, then no student default is required.
- Where the student is on shore, then the renegotiated date will be the default start date, five (5) business days after the start date
- For other student defaults such as non payment of fees, the five (5) business days for notification do not start until the student has had the opportunity to access complaints and appeals and these processes have been finalised confirming the default

Giving information about accepted students:

SELC will report particulars of a breach by an accepted student of a prescribed condition of a student visa on PRISMS, even if the student has ceased to be an accepted student at SELC. A SELC student cannot avoid being reported to DHA for non-attendance, or failure to progress by cancelling their CoE with SELC.

Notifying the OUTCOME OF STUDENT DEFAULT:

SELC to notify the Secretary (or delegate) and TPS Director of outcome of discharge of obligations in cases of student default within seven (7) days of the end of the default period.

REPORTING TIMEFRAME

PROVIDER DEFAULT

Reporting requirements in case of Provider default:

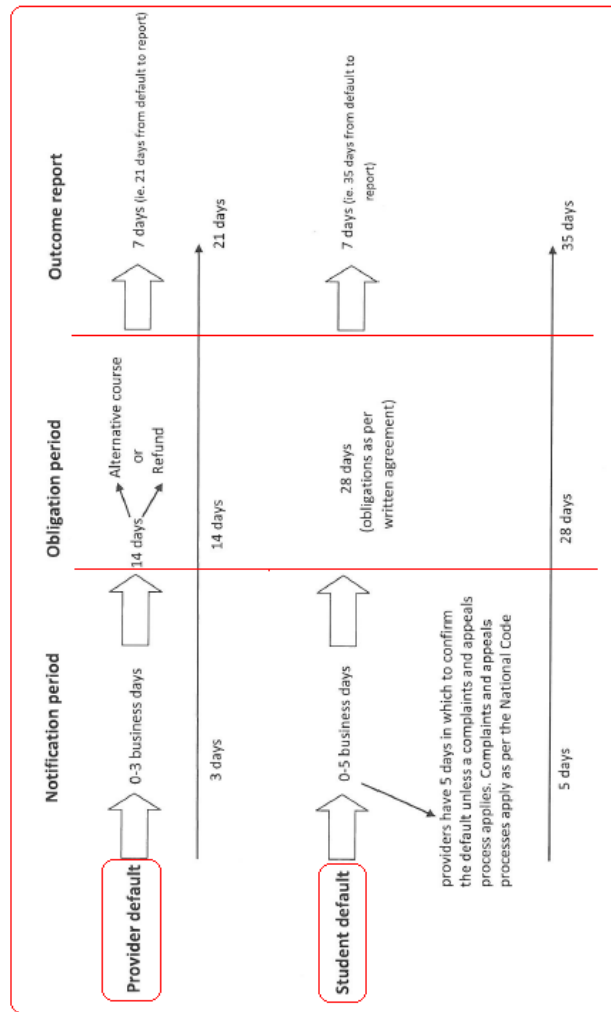
- SELC will notify in writing the Secretary and the TPS Director (via PRISM) of its default within 3 business days of the default occurring
- SELC will discharge its obligations by providing options to students within 14 days after the default date and
- A further 7 days to report the outcome of the provider default (via PRISM)

STUDENT DEFAULT

Reporting requirements in case of non-payment of fees, breach of a condition of their student visa or misbehaviour:

- 5 business days to notify the Secretary and the TPS Director (via PRISM) of the student default
- 14 days to report cancellation of the student's enrolment to DIAC (via PRISMS) (i.e. a section 19 report)
- 28 days to finalise the student default obligations as set out in the written agreement with the student and
- A further 7 days to report the outcome of the student default (via PRISM).

REPORTING TIMEFRAME OF PROVIDER DEFAULT & STUDENT DEFAULT



RECORD KEEPING PURPOSE

The legislative amendments strengthen obligations on providers, to keep up to date student records related to academic progress and contact details. The purpose of this measure is to:

- Make it easier to contact students affected by a provider closure and to facilitate timely and accurate placement in an alternative course
- Improve protection for the welfare of students, particularly those under 18 years of age
- Ensure students are kept informed of course progress and to support the timely identification of and intervention by the provider where a student is not making good course progress, and
- Improve provider business practice through effective student information systems.

SELC systems and processes comply with new record keeping requirements as following;

1. SELC systematically ensure that students update their contact details at least every study period (20 weeks not including study breaks) to include address, mobile phone, home phone, email, etc
2. SELC keeps and maintains up to date academic records for every unit of competency completed and assessed

PREPAID FEES:

SELC complies with the limits on prepaid tuition fees as follows:

- SELC will not receive more than 50% of the student's total tuition fee for a course, before the student has begun the course, unless the course has only one study period which is 24 weeks or less
- SELC will not require any remaining fees earlier than two (2) weeks, before the start of the student's second study period
- A student may voluntarily pay earlier than two weeks, but will not be required to do so
- An exception to this two (2) week rule is, if the fees are in relation to the first study period, or if it is a debt
- After the second study period there are no restrictions on when, or how much tuition fees SELC collects
- Tuition fees are, any fees that are directly related to the provision of a course
- Only tuition fees are protected under the TPS
- SELC Letter of Offer complies with the new limits on prepaid fees

SELC OBLIGATIONS RELATED TO DESIGNATED ACCOUNT:

SELC maintains a designated account as follows:

- Identified as "the designated account" (for initial prepaid tuition fees until a student commences studies)
- Normal bank account, that allows deposits and withdrawals (Not necessarily a trust account)
- With an Australian ADI
- Must be separate from the day to day business operating account
- Designated as the initial prepaid fees account
- Pays into the account, any tuition fees received from an international student before the student has begun the course, within five (5) business days of receiving them
- Ensures at all times, sufficient amount in the account to repay all tuition fees of non-commenced students
- Not available for the payment of other debts
- Strict penalties apply for non-compliance against both SELC and the PEO

SELC Written Agreement with Students:

SELC must have a written agreement with students that includes:

- Agreed start date
- Default day (5 business days after agreed start date)
- Prepaid fee information (as above)
- Length of study period (20 weeks not including study breaks)
- Tuition fee for each study period
- Approved unit of study
- Uses term 'tuition fees' instead of 'course money' to define fees directly related to the provision of a course
- Refund requirements in case of student default
- Requirement to refund a student in accordance with the written agreement, within 4 weeks after receiving the written claim except for visa refusal

REFUND in other cases:

Where SELC has not entered into a written agreement that complies with Section 47B or where a student has been refused a visa, SELC must pay the student a refund, worked out in accordance with the legislative instrument under subsection 47E(4)