



2021 Tuition Protection Review

Terms of Reference

Introduction

Australian Government-managed tuition protection delivered by the Tuition Protection Service (TPS) was established for international students in July 2012. Its operation for international students is primarily set out in the *Education Services for Overseas Students Act 2000* (ESOS Act).

On 1 January 2020, the TPS was expanded to include domestic students accessing a VET Student Loan (VSL), HECS-HELP loan, or FEE-HELP loan at a private education provider. Its operation for the VSL program is primarily set out in the *VET Student Loans Act 2016* (VSL Act), and for the HELP program, primarily in the *Higher Education Support Act 2003* (HESA).

The TPS was further expanded on 1 January 2021 to include domestic up-front fee-paying higher education students studying at Tertiary Education Quality and Standards Agency (TEQSA) registered private higher education providers. This expansion ensures domestic higher education students studying at private providers have access to tuition protections regardless of whether they are receiving Commonwealth support or are paying up-front for their study costs. Its operation is primarily set out in the *Tertiary Education Quality and Standards Agency Act 2011* (TEQSA Act).

TAFEs, Government-owned providers and Table A universities are exempt from TPS arrangements and are legislatively required to self-administer and deliver tuition protection for their domestic VSL and all higher education students in the event of a tuition protection default.

The TPS operates as a placement and refund/loan re-credit service that assists students in the event that an education provider defaults (ceases to commence or continue delivering a unit or course of study). The TPS assists students to move to a new provider to continue their studies or provides a tuition fee refund or loan re-credit for affected parts of the course.

The TPS is primarily funded through the collection of provider levies paid into sector-quarantined Fund Special Accounts. The Government provides supplementary funding and departmental staff to support the current functions and operations of the TPS Advisory Board and the TPS Director.

Purpose of Review

It is a legislative requirement that the Minister for Education and Youth (the Hon Alan Tudge MP, responsible for international education and higher education), and the Minister for Employment, Workforce, Skills, Small and Family Business (the Hon Stuart Robert MP, responsible for VSL)

commence a review of the tuition protection arrangements for VSL, International Education, HELP, and Higher Education up front payment students before 1 July 2021 (the Review). This is specified in legislation (s 113A of the VSL Act; s 176A of the ESOS Act; s 238-7 of HESA; s 203A of the TEQSA Act). The Review must be conducted at the same time for all TPS serviced programs and be tabled in each House of the Parliament within 15 sitting days of that House after the completion of the report.

Scope of Review

As prescribed in the above legislation, the Review must consider: the operation of tuition protection arrangements and each Tuition Protection Fund and related matters, for the tuition protection arrangements for VSL, International Education, HELP, and Higher Education up-front payment students. This includes considering the suitability of the TPS as student consumer protection across each sector.

The Government has made a further commitment to consider expanding tuition protection arrangements for the VET up-front payments sector as part of this Review.

Terms of Reference

For all tuition protection arrangements in place for International Education, VSL, HELP, and Higher Education domestic up front payment students:

- 1 Assess the effectiveness and efficiency of the current legislative, operational, administrative and governance arrangements of the TPS, including:
 - a the position, role and functions of the TPS Director as specified in the above legislation for both the international and domestic sectors
 - b the structure, function and operation of the TPS Advisory Board
 - c whether the current delivery arrangements best meet the tuition protection policy objectives as set out in the ESOS Act, VSL Act, HESA and the TEQSA Act
 - d the framework of the current legislative structure of the TPS as set out in the ESOS Act, VSL Act, HESA, the TEQSA Act, and multiple subordinate legislative instruments
 - e risk management arrangements in place in relation to the TPS
 - f the adequacy of the data collection arrangements in place to support the TPS, including any regulatory burden imposed on providers.
- 2 Assess the suitability of each sector-quarantined Tuition Protection Fund, including its
 - a administrative functions
 - b levy mechanisms
 - c governance arrangements
 - d short-term and long-term sustainability to ensure a balance between sufficient funds to meet demand and industry contributions
 - e compliance with the Public Governance, Performance and Accountability Act 2013.

- 3 Assess the response taken by the TPS Advisory Board to date with regard to the impact of the COVID-19 pandemic, particularly with regards to the sustainability of the TPS Funds, and the ability of the TPS to deliver its policy objectives.
- 4 Consider improvements to current tuition protection arrangements for the International Education, VSL, HELP and Higher Education domestic up-front payment sectors, including mechanisms to realise improvement.
- 5 Consider the suitability and feasibility of expanding current TPS arrangements to up-front payment students in the VET sector.

Consultation

The Review will be conducted by an independent consultant and will be informed by comprehensive consultations with key stakeholders across the International Education, Higher Education and VET sectors.

Timing

The Review will commence by 1 July 2021 and is expected to be completed and tabled in each House of Parliament in early 2022.