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Navitas Submission to the Senate Education and Employment Legislation Committee Inquiry into

Education Services for Overseas Students (Streamlining Regulations) Amendment Bill 2015

Education Services for Overseas Students (Registration Charges) Amendment (Streamlining Regulations) Bill 2015

Navitas Submission: Inquiry into the provisions of the Education Services for Overseas Students (Streamlining Regulations) Amendment Bills 2015

About Navitas

Navitas Ltd is an Australian global education partner providing pre-university and university programs, English language courses, migrant education and settlement services, creative media education, student recruitment, professional development and corporate training services to more than 80,000 students across a network of over 120 colleges and campuses in 31 countries. Navitas listed on the Australian Securities Exchange (ASX) in 2004 and is now an S&P/ASX Top 100 Company, employing more than 5,800 staff globally.

Comments

Navitas supports the amendments in the *Education Services for Overseas Students Amendment (Streamlining Regulation) Bill 2015* and the *Education Services for Overseas Students (Registration Charges) Amendment (Streamlining Regulation) Bill 2015.*

These proposed amendments make minor but important changes to the major ESOS reforms of 2012. The Bills continue the strong protections for the rights of learners within a streamlined quality assurance and compliance framework that provides fit-for-purpose regulation and addresses a small number of ineffective and/or inefficient requirements without compromising quality or accountability.

There has been strong and deep consultation on the matters covered in the Bill across the international education sector and with other interested parties by the Department of Education over a considerable period of time. The amendments in the Bills reflect those consultations and have broad support across the whole sector.

Australian international education is already Australia's number one services export industry. It has played, and will increasingly play a critical role in Australia's future prosperity as well as contributing to the Australian community's understanding and embrace of the benefits of positive global connectivity and engagement.

Navitas supports the passing of the Bills without amendment.

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Schedule 1 – Streamlining Regulation

Navitas has been a strong supporter over a number of years of the need to provide strong quality assurance and consumer protection while reducing red tape. The amendments outlined in Schedule 1 are common sense regulatory reforms that align the domestic and international regulatory frameworks and clarify and confirm the roles of the regulators.

Navitas supports the amendments that will allow for a single government regulator (e.g. TEQSA) to manage all aspects of ESOS compliance for a multi-sector provider. Navitas entities have recently been in a situation where a CRICOS re-registration application was submitted to TEQSA and a $5,000 fee was paid. TEQSA completed their assessment, and then transmitted the very same application documents to ASQA for assessment, which attracted another $8,000 fee. Both regulators were assessing the same submission against the same legislation. The current process causes unnecessary duplication, delay and cost.

Navitas has been a strong advocate for a transparent, proportionate risk management approach in regulation, consumer protection and quality assurance that is consistent across the international and domestic education sectors and is pleased to see that the ESOS agency is required to use such an approach when making decisions.

Schedule 4 – TPS Director

The Tuition Protection Service (TPS) provides confidence and certainty to current and prospective international students and their families that their consumer rights will be protected. The proposed amendments will include an enhanced ability to gather information from providers in support of the TPS Director's role and to share information with the ESOS regulators.

Schedule 5 – Changes to the collection of tuition fees

Navitas stated in its submission to Department of Education, as did a number of other reputable providers and peak industry bodies, that the introduction of restrictions on institutions receiving more than 50% of tuition fees has resulted in unintended consequences, including providing disincentives to students and their families, creating significant administrative and financial burdens for institutions and encouraging negative behaviours, such as onshore 'course hopping'.

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The amendments enabling students to make repayments of more than 50 per cent where it suits their circumstances will provide greater capacity for institutions to respond to the needs and circumstances of international students. For example, the payment of tuition fees up front may assist students on scholarships, on other sponsored arrangements or where the student wishes to take advantage of exchange rates. This will not only assist these students but reduce provider administrative burden.

Schedule 5 – Designated Trust Accounts

Navitas strongly supports the removal of this requirement as it has placed an extremely burdensome financial and administrative requirement on private institutions to maintain student tuition fees in a designated bank without providing a material level of additional protection for students. In Navitas' case this single piece of regulation has required the company at times to retain up to $100m of additional funding facilities than would otherwise be required. This has added a considerable annual cost in commitment fees to retain these accounts, in direct funding cost, increased debt servicing costs and the lost opportunity cost of employing that capital for improved delivery services.

And most tellingly the evidence demonstrates that it has failed to protect student tuition fees in the instances of closures since its introduction and the introduction of the TPS.

The Australian Government Actuary has indicated the removal of this requirement will not create any significant increased risk to the TPS. Further, in cases of providers assessed as high risk the ESOS regulators can impose additional and significant conditions on the registration of those providers.

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